

Clawback Policy

INTRODUCTION

POLICY

The purpose of this Veren Inc. (the “Company”) Clawback Policy (this “Policy”) is to enable the Company to recover Erroneously Awarded Compensation in the event that the Company is required to prepare an Accounting Restatement. This Policy is intended to comply with all laws, government regulations, orders or stock exchange listing requirements applicable to the Company, including, but not limited to, the requirements set forth in Section 303A.14 of the NYSE Listed Company Manual (collectively, “Applicable Law” and shall be construed and interpreted in accordance with such intent. Unless otherwise defined in this Policy, capitalized terms shall have the meaning ascribed to such terms in Section 7.

Administration

This Policy shall be administered by the Human Resource and Compensation Committee (the “Committee”) of the Board unless the Board determines to administer this Policy itself. The Committee has full and final authority to make all determinations under this Policy, in each case to the extent permitted under Applicable Law and in compliance with (or pursuant to an exemption from the application of) Applicable Law, including Section 409A of the Code. All determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company, its affiliates, its shareholders and Executive Officers. Any action or inaction by the Committee with respect to an Executive Officer under this Policy in no way limits the Committee’s actions or decisions not to act with respect to any other Executive Officer under this Policy or under any similar policy, agreement or arrangement, nor shall any such action or inaction serve as a waiver of any rights the Company may have against any Executive Officer other than as set forth in this Policy.

Application

This Policy applies to all Incentive-Based Compensation received by a person: (a) after beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation; (c) while the Company had a class of securities listed on a the Toronto Stock Exchange, the NYSE, or any other national securities exchange or a national securities association; and (d) during the three completed fiscal years immediately preceding the Accounting Restatement Date. This Policy also applies to the compensation, in addition to Incentive-Based Compensation, referred to in Section 11 for the purposes thereof. In addition to such last three completed fiscal years, the preceding clause (d) includes any transition period that results from a change in the Company’s fiscal year within or immediately following such three completed fiscal years; provided, however, that a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months shall be deemed a completed fiscal year. For purposes of this Section 3, Incentive-Based Compensation is deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

Recovery Requirement

In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy. The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the Company files restated financial statements. Recovery under this Policy with respect to an Executive Officer shall not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting Restatement. In the event of an Accounting Restatement, the Company shall satisfy the Company's obligations under this Policy to recover any amount owed from any applicable Executive Officer by exercising its sole and absolute discretion in how to accomplish such recovery, to the extent permitted under Applicable Law and in compliance with (or pursuant to an exemption from the application of) Applicable Law, including Section 409A of the Code. The Company's recovery obligation pursuant to this Section 4 shall not apply to the extent that the Committee, or in the absence of the Committee, a majority of the independent directors serving on the Board, determines that such recovery would be impracticable and:

- a. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Stock Exchange;
- b. Recovery would violate the laws of Alberta or the laws of Canada applicable therein, where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of such law, the Company must obtain an opinion of Canadian counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and must provide such opinion to the Stock Exchange; or
- c. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of Applicable Law, including Section 401(a)(13) or Section 411(a) of the Code.

Prohibition on Indemnification and Insurance Reimbursement

The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Compensation. Further, the Company is prohibited from paying or reimbursing an Executive Officer for purchasing insurance to cover any such loss.

Required Policy Related Filings

The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the provincial and U.S. federal securities laws, including disclosures required by U.S. Securities and Exchange Commission filings.

Definitions

- a. "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

- b. "Accounting Restatement Date" means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.
- c. "Board" means the board of directors of the Company.
- d. "Code" means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.
- e. "Erroneously Awarded Compensation" means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes paid by the relevant Executive Officer; provided, however, that for Incentive-Based Compensation based on stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (i) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received; and (ii) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Stock Exchange.
- f. "Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. An executive officer of the Company's parent or subsidiary is deemed an "Executive Officer" if the executive officer performs such policy making functions for the Company.
- g. "Financial Reporting Measure" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure; provided, however, that a Financial Reporting Measure is not required to be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission to qualify as a "Financial Reporting Measure." For purposes of this Policy, "Financial Reporting Measure" includes, but is not limited to, stock price and total stockholder return.
- h. "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- i. "Stock Exchange" means the U.S. national stock exchange on which the Company's Common Shares are listed (e.g., NYSE).

Acknowledgement

Each Executive Officer shall acknowledge and confirm annually that such Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.

Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

Amendment, Termination

The Board may amend this Policy from time to time in its sole and absolute discretion and shall amend this Policy as it deems necessary to reflect Applicable Law, or to comply with (or maintain an exemption from the application of) Applicable Law, including Section 409A of the Code. The Board may terminate this Policy at any time.

Other Recovery Obligations, General Rights

To the extent that the application of this Policy would provide for recovery of Incentive-Based Compensation that the Company recovers pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations, the amount the relevant Executive Officer has already reimbursed the Company will be credited to the required recovery under this Policy. This Policy shall not limit the rights of the Company to take any other actions or pursue other remedies that the Company may deem appropriate under the circumstances and under Applicable Law, in each case to the extent permitted under Applicable Law and in compliance with (or pursuant to an exemption from the application of) Applicable Law, including Section 409A of the Code. For greater certainty, any Incentive-Based Compensation, or any other compensation, paid or payable to an employee, contractor or member of the Board pursuant to any agreement or arrangement with the Company (including under the Company's existing Restricted Share Unit Plan, Deferred Share Unit Plan, Performance Share Unit Plan, Employee Share Value Plan or Stock Option Plan) which is subject to recovery under Applicable Law, will be subject to such deductions and clawback (recovery) as may be required to be made pursuant to Applicable Law (or any policy of the Company adopted pursuant to Applicable Law). Nothing contained in this Policy shall limit the Company's ability to seek recoupment, in appropriate circumstances (including circumstances beyond the scope of this Policy) and as permitted by Applicable Law, of any amounts from any individual, in each case to the extent permitted under Applicable Law, including in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code.

Conduct Detrimental to the Company

In addition, if the Board determines, acting reasonably, that an employee, contractor or member of the Board has engaged in conduct that is sufficiently detrimental to the Company, either during or after the cessation of such person's employment with, or service to, the Company, the Board may, at its sole election, terminate any Incentive-Based Compensation payable to such person that has not yet vested or that has not yet been paid. Detrimental conduct includes, but is not limited to, participating in transactions involving the Company and its clients which were under way, contemplated or under consideration at the time of termination, solicitation of clients or employees, disclosing confidential information, making inappropriate or defamatory comments about the Company or breaches of the material provisions of any of the Company's internal policies, including its Code of Conduct.

Successors

This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.