



FRONTERA ENERGY CORPORATION

CORPORATE GOVERNANCE POLICY

Frontera Energy Corporation (the “**Corporation**”) is committed to responsible corporate governance practices, transparency and corporate responsibility. The Corporate Governance Policy (this “**Policy**”) is the framework by which the Corporation seeks to develop and foster an environment of integrity and compliance. It is the position of the Corporation that a corporate governance policy would be beneficial to shareholders and other stakeholders. This policy will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, so as to meet industry standards.

THE BOARD

The board of directors of the Corporation (the “**Board**”) will be mandated to set the strategic direction for the Corporation and to oversee its implementation by management of the Corporation. To assist it in fulfilling this responsibility, the Board will have responsibility for several areas, including:

- (a) Reviewing and approving the Corporation’s strategic and operating plans;
- (b) Reviewing and approving material proposed expenditures;
- (c) Reviewing and approving significant operational and financial matters; and
- (d) Providing direction to management on operational and financial matters.

While decisions regarding the ongoing day-to-day management will be made by management of the Corporation, the Board shall meet regularly to review the business operations and financial statements of the Corporation and it may discharge, in part, its responsibility through its various committees. The frequency of the meetings of the Board, as well as the nature of agenda items, will depend on the state of the Corporation’s affairs and the types of opportunities which arise or risks which the Corporation faces. The Corporation will hold a minimum of four meetings of the Board in each fiscal year. When business requires that a Board meeting cannot be called within a reasonable time, Board decisions will be made by written resolution signed by all directors.

The Board is expected to participate fully in assessing and approving strategic plans and prospective decisions proposed by management. In order to ensure that the principal business risks borne by the Corporation are appropriate, the directors shall receive and are expected to comment on periodic oral or written reports from management as to the Corporation’s assessment and management of such risks. The Board shall regularly monitor the financial performance of the Corporation, including receiving and reviewing detailed financial information contained in management reports. The Board will, directly and through its audit committee, assess the integrity of the Corporation’s internal control and management information systems.

The Board shall be responsible for reviewing the performance of senior management. The Board shall also be responsible for addressing matters of succession planning.

INDEPENDENCE OF THE BOARD

The Corporation is committed to having a majority of independent directors on the Board; however, this is subject to the reality of its current size and business. It is anticipated that if the chair of the Board is in an executive position, then the Corporation will appoint a “lead” independent director, if and when appropriate. The Corporation seeks to, through ongoing co-operation and discussions with stakeholders, ensure that the Board’s agenda will enable it to successfully carry out its duties.

The independent directors of the Board meet without management present at each regularly scheduled meeting of the Board and committees of the Board, and as the Board otherwise deems necessary at non-regularly scheduled meetings.

BOARD COMPOSITION

The Board will establish a nominating committee with responsibility for the appointment and assessment of directors. While there are no specific criteria for Board membership, the Corporation will attempt to attract and maintain directors with a wealth of business knowledge and particular knowledge of the Corporation's industry or other industries that would assist in guiding the officers of the Corporation. As such, nominations shall be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

Prior to nominating or appointing individuals as directors, the nominating committee will adopt a process involving the following steps:

- (a) Consider what competencies and skills the Board, as a whole, should possess. In doing so, the Board will recognize that the particular competencies and skills required for the Corporation may not be the same as those required for another company; and
- (b) Assess what competencies and skills each existing director possesses. While it is unlikely that any one director will have all the competencies and skills required by the Board, the Board will be evaluated as a group, with each individual making his or her own contribution. Attention will also be paid to the personality and other qualities of each director, as these may ultimately determine the dynamic of the Board.

The nominating committee will also consider the appropriate size of the Board, with a view to facilitating effective decision-making.

Other factors that the nominating committee may consider include:

- (a) the competencies and skills that may be necessary for the Board, as a whole, to possess;
- (b) the competencies and skills that each existing director possesses;
- (c) the competencies and skills each new nominee will bring to the Board;
- (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member; and
- (e) Advancement of the Corporation's goal of fostering an inclusive and diverse culture.

BOARD MANDATE

The Board will adopt a written mandate in which it will set out expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials and explicitly acknowledge responsibility for the stewardship of the Corporation, including responsibility for:

- (a) to the extent feasible, satisfying itself as to the integrity of the chief executive officer (the "CEO") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- (c) the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- (d) succession planning (including appointing, training and monitoring senior management);
- (e) adopting a public disclosure policy for the Corporation;
- (f) the Corporation's internal control and management information systems;
- (g) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation; and
- (h) Considering and reviewing management's system for effective communication and engagement activities with stakeholders including but not limited to shareholders, bondholders, employees, contractors and the communities in which the Corporation operate and ensuring measures are in place to receive feedback from stakeholders.

DIRECTOR ATTENDANCE

Directors must be committed to diligent attendance at Board and committee meetings commensurate with their particular circumstances, and to full preparation for and participation in such meetings. If a director attends fewer than 75% of Board meetings, the Chair will inquire into the situation and take steps to work with the director to improve attendance. Attendance will also be taken into consideration in the nomination process. While the Corporation does not restrict the number of public company boards that a director may serve on, each director must devote sufficient time to carrying out his or her duties effectively. Each director also commits to serve on the Board for an extended period of time if elected.

DIRECTOR CONFLICT OF INTEREST

Directors must provide the Corporation with all information relating to entities in which they have a material interest so that conflicts may be identified. The directors shall report to the Corporation and to the Board any conflict of interest or potential conflict of interest. It is the responsibility of the director to report such conflict, including the issue, nature and details of the conflict.

POSITION DESCRIPTIONS

The Corporation has developed descriptions for the roles of chair of the Board, the chair of each Board committee and the CEO which are set out in the Mandate of the Chairman of the Board of Directors, the Mandate of a Board Committee Chair and the Mandate of the Chief Executive Officer, respectively.

ORIENTATION

The Board will ensure that all new directors receive a comprehensive orientation which shall include ensuring that new directors fully understand:

- (a) The role of the Board and its committees;
- (b) The contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors); and--
- (c) The nature and operation of the business.

New directors are provided with the Corporation's corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures and such other information necessary to ensure they are familiarized with the Corporation's business and the procedures of the Board.

ON-GOING EDUCATION

The Board will ensure that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately. The Board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

EVALUATION

The Board will conduct annual surveys to assess the effectiveness of:

- (a) The Board as a whole;
- (b) each committee of the Board;
- (c) The Chairman of the Board;
- (d) The chair of each committee of the Board; and
- (e) The contributions of each director.

CODE OF BUSINESS CONDUCT AND ETHICS

As a responsible business and corporate citizen, the Corporation is committed to conducting its affairs with integrity, honesty, fairness and professionalism. The Board will adopt a Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics will apply at all levels of the Corporation, from major decisions to day-to-day transactions.

The Code of Ethics delineates the standards governing the relations between the Corporation and shareholders, customers, suppliers and competitors respectively. Within this framework, employees and directors are expected to exercise good judgment and be accountable for their actions. All employees and directors are required to review and attest to compliance with the Code of Business Conduct and Ethics on an annual basis.

COMPENSATION

The Board shall appoint a compensation and human resources committee, which will review and approve salary and benefits for the executives of the Corporation and compensation for the directors of the Corporation. The Corporation has developed policies for the compensation of its executives and directors which are codified in the Compensation and Human Resources Committee Charter.

The Compensation and Human Resources Committee Charter establishes the compensation and human resources committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the Board. In addition, the compensation and human resources committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

The compensation and human resources committee will be responsible for:

- (a) Reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining the CEO's compensation level based on this evaluation;
- (b) Making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and
- (c) Reviewing executive compensation disclosure before the Corporation publicly discloses this information.

AUDIT COMMITTEE

The Board will appoint an audit committee with authority to engage independent counsel, to set and pay compensation for advisors and to communicate directly with internal and external auditors. External auditors will report directly to the audit committee. The audit committee will be composed of a minimum of three members, all of whom are independent directors of the Corporation and are financially literate.

In addition, the audit committee assists the Board in fulfilling its oversight responsibility relating to the Corporation's externally disclosed oil and gas reserves information and, in this capacity, the audit committee has the authority to engage independent counsel, to set and pay compensation for advisors and to communicate directly with the Corporation's independent reserves evaluator(s); however, in the normal course, the Corporation's CEO and Corporate Vice-President Operations, Development and Reservoir Management, or such other persons as the audit committee may, from time to time, designate, shall be the committee's liaison with the independent reserves evaluator(s).

The audit committee will be guided by its charter, which sets out, among other things, its primary responsibilities, composition, and rights.

CURRENCY OF THIS POLICY

This is a Board Policy and it was last revised as of December 4, 2019.