



FRONTERA ENERGY CORPORATION

CONFLICTS OF INTEREST POLICY

Introduction

The purpose of this conflicts of interest policy (the “**Policy**”) is to provide a definition and examples of conflicts of interest, and to establish guidelines and procedures for Personnel (defined below) of Frontera Energy Corporation, all of its subsidiaries (as such term is defined in the Code of Business Conduct and Ethics) and Fundación Frontera, (collectively, the “**Corporation**”) so that conflicts of interest can be managed in a timely manner.

Application

The Policy applies to all directors, officers, employees (whether temporary, fixed-term, or permanent), consultants, contractors, subcontractors, trainees, seconded staff, home workers, volunteers, interns, agents, sponsors, or any other person or persons working for the Corporation, no matter where they are located in the world (“**Personnel**”).

In the Policy, various references are made to consents or approvals being required or obtained from the Ethics Committee. Any such reference to the Ethics Committee, as it relates to directors of Frontera Energy Corporation, shall be read as a reference to the Corporate Governance, Nominating and Sustainability Committee.

The Policy

1. Definitions and Interpretation

A conflict of interest is defined as a situation where Personnel have a private, personal, professional or vested interest sufficient to influence the exercise of their duties at the Corporation. If this competing interest can potentially interfere with the proper exercise of judgment, then a conflict of interest exists.

Conflicts of interest might be actual, perceived or potential. An actual conflict of interest occurs when advice given or an action taken has a direct and predictable impact on a private, personal, professional or vested interest. A perceived conflict of interest occurs when a reasonable person, knowing the facts, would consider that a conflict of interest may exist, whether or not this is the case. A potential conflict of interest exists when advice given or an action taken might have an impact on a private, personal, professional or vested interest in the future.

Examples of circumstances that can give rise to a conflict of interest for Personnel include (but are not limited to):

- involvement in business or personal activities that directly or indirectly conflict with or impact the Corporation or its interests in any way;
- relationships with government officials or state-owned entities;



- association with individuals or businesses that may in any way benefit from decisions of the Corporation;
- use of any confidential information (i.e., information that is not generally available to the public) of the Corporation for personal benefit;
- attempts to influence the Corporation's policies or decisions for personal benefit or the benefit of a third party;
- using association with the Corporation to gain, or attempt to gain, any personal benefit or benefit for family or friends; and
- providing advice to the Corporation that will impact other organizations with which Personnel are involved.

Some scenarios that may pose potential conflict of interest problems include, but are not limited to, the following:

- Investing in any competitor company to the Corporation, or any company doing or seeking to do business with the Corporation, other than relatively small investments in securities widely held by the general public;
- Working for, or on behalf of, any company referred to in the preceding bullet;
- Placing the Corporation's business with relatives or friends, or working on a project of the Corporation that will have a direct impact on the financial interests of relatives or friends;
- Using the Corporation's resources, including telephones, e-mail and Internet, for dealing with personal matters, unless such usage is reasonable and does not disrupt the flow of work or result in additional costs for the Corporation;
- Borrowing money from companies doing or seeking to do business with the Corporation other than on generally available terms¹;
- Participating in the regulatory or other activities of a community or governmental body that have a direct impact on the business of the Corporation unless authorized by the Corporation;
- Hiring or supervising a relative or friend;
- Serving as a director, officer, partner, consultant, or in any other significant role, in any competitor, supplier, or customer of the Corporation, or any entity or organization with which the Corporation does business or seeks to do business; and

¹ Examples of permissible borrowing include credit cards, bank loans and mortgage loans on commercially reasonable and generally available terms.



- Acting as a broker, finder or other intermediary for the benefit of a third party in transactions involving the Corporation or its interests.

2. General Conflict of Interest Prohibitions

Unless written consent has been obtained from the Ethics Committee, Personnel shall not:

- engage in outside work or business undertakings that:
 - interfere with their ability to perform their duties for the Corporation; or
 - will influence, or is likely to influence or affect, the carrying out of their duties for the Corporation;
- have an interest in an entity that provides services to or purchases products or services from the Corporation;
- involve the use of the Corporation's premises, equipment or supplies other than for the Corporation's business, unless specifically authorized by the Corporation;
- use, or seek to use their position in the Corporation to:
 - gain a direct or indirect benefit for them, their family members, personal or business associates;
 - solicit or accept favours or economic benefits from any individuals, organizations or entities known to be seeking business or contracts with the Corporation, including bribes or kickbacks;
- favour any person, organization or business entity over the interests of the Corporation;
- disclose any confidential information about any of the Corporation's undertakings to any person or organization not authorized by law or by the Corporation to have such information;
- benefit directly or indirectly in return for or in consideration for revealing confidential information;
- use confidential information in any private undertaking in which they are involved;
- accept gifts, hospitality or other benefits except in accordance with the Corporation's Gifts, Travel and Entertainment Policy;
- grant preferential treatment in relation to any matter of the Corporation to any person, organization, family member or friend, or to any organization in which the Corporation has an interest;
- hire or contract with members of their immediate family including partners, parents, children or siblings, or occupy a position where one immediate family member reports directly to another; or
- approve, oversee or manage, directly or indirectly, transactions or business relationship where Personnel is aware of the fact that there is an actual, perceived or potential conflict.

While the above does not constitute the entire list of prohibitions on conduct involving a conflict of interest, they are meant to provide some clear examples of prohibited behaviour and Personnel are expected to abide by these prohibitions.



Serving other Organizations

Unless approved by the Corporation, serving as a director of another company, even one in which the Corporation has an interest, may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies and charitable organizations, may also create a conflict.

All Personnel must obtain permission from the Ethics Committee before joining the board of directors of another company, industry association or government organization, except when done at the written direction of the Corporation.

Before accepting an appointment to the board or a committee of any organization whose interests may conflict with the Corporation's interests, Personnel must also receive written approval from the Corporation's Corporate Governance, Nominating and Sustainability Committee.

Personnel are permitted, however, to serve on boards of charities or non-profit organizations or in private family businesses that have no relation to the Corporation and its businesses. Prior approval is not required for these types of situations, but the Ethics Committee must be notified prior to or promptly after agreeing to serve on such a board. If you hold a position with a charity or non-profit organization and if you speak publicly for the entity, you should ensure that you are seen as speaking on behalf of the entity or as an individual, and not on behalf of the Corporation.

3. Procedures

a) Duty to Disclose

i) Personnel

Personnel have a duty to disclose any situation that may be an actual or potential conflict of interest between their private, personal, professional or vested interests (or to the extent Personnel are aware of such fact, of the private interests of others) and the interests of the Corporation. In particular, supervisors are required to disclose conflicts of interest, of which they are aware, relating to Personnel who report to them. If it is uncertain whether a conflict of interest exists, Personnel must still opt to disclose.

Where there is concern that any Personnel may be placed in an actual, potential or perceived conflict of interest situation, Personnel must immediately discuss the situation with their direct supervisor, the Ethics & Compliance Officer, or report the situation in accordance with the procedures set out in the Whistle Blower Policy. If there are concerns with the foregoing reporting methods, Personnel may report the situation in writing to the Chair of the Audit Committee by sending an email with the word "**Confidential**" in the subject line to the following address: AuditCommitteeChair@fronteraenergy.ca.

ii) Relationship Parties

Third parties with which the Corporation has dealings, or intends to have dealings, including suppliers, distributors, agents, advisors, and other representatives acting on the Corporation's behalf ("**Relationship Parties**") may be in the best position to know whether there is an actual,



perceived, or potential conflict of interest. Accordingly, the Policy should be communicated to Relationship Parties.

- b) If an actual, perceived or potential conflict of interest is confirmed then:

The actual or potential conflict of interest must be disclosed in writing to the individual's supervisor and the Ethics & Compliance Officer along with recommended procedures to remove Personnel from the conflict or potential conflict of interest. Approval of appropriate procedures by the Ethics & Compliance Officer shall also be provided in writing and retained in accordance with the Corporation's document retention policies.

- c) Review and Investigations

The Ethics Committee has the authority to deal with the conflict of interest issues of Personnel by reviewing and/or investigating conflict of interest situations, and deciding whether an actual, perceived or potential conflict of interest situation will result or has resulted in Personnel contravening or failing to comply with the Policy.

If the Ethics Committee determines that Personnel have or will be in a position that will contravene or fail to comply with the Policy, the Ethics Committee may take such actions as are considered appropriate in the circumstances, including:

- requiring that the identified activity be modified or stopped;
- transferring such Personnel to another position or assigning other duties;
- relieving such Personnel from the duties that resulted in the conflict of interest situation; or
- following consultation with Human Resources, the individual's supervisor and other parties as the Ethics Committee sees fit, taking disciplinary measures up to and including terminating the employment of such Personnel for cause without notice or other obligation in accordance with applicable laws.

In the event that the conflict of interest involves a member of the Board of Directors or the Ethics & Compliance Officer, review and/or investigation of the conflict of interest will be conducted by the Chair of the Audit Committee. In the event that the conflict of interest involves the Chair of the Audit Committee, review and/or investigation of the conflict of interest will be conducted by the Chairman of the Board.

4. Implementation of the Policy

- a) Responsibility for identifying and disclosing conflicts of interest rests with all Personnel.
- b) Personnel are required to annually report any actual or potential conflicts of interest on a form prepared for that purpose. In addition, Personnel must report to the Ethics & Compliance Officer any conflicts that arise in the interim.
- c) The General Counsel is available to provide advice to the Ethics & Compliance Officer or Chair of the Audit Committee and other managers on conflict of interest matters.
- d) Implementation of the Policy will be monitored by the Ethics & Compliance Officer.



5. Training and Communication

The Corporation will provide training on the Policy as part of the on-boarding process for all new Personnel, and annually thereafter.

The Corporation will retain records confirming attendance of training on the Policy in accordance with the Corporation's document retention policies.

The Policy will be clearly communicated to third parties at the outset of business relations, and as appropriate thereafter (e.g. upon renewals of contracts).

Personnel (in accordance with the Corporation's Code of Business Conduct and Ethics) will be asked annually to certify that they have complied with the Policy. The Corporation will retain such certifications in accordance with the Corporation's document retention policies.

Failure to attend training or certify compliance with the Policy constitutes a breach of this Policy and may warrant disciplinary measures.

Currency of the Policy

The Policy will be reviewed by the Board of Directors annually to ensure that it is meeting the needs of the Corporation.

The Policy was last reviewed and approved by the Board on December 6, 2017.