



**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

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ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON May 29, 2019

DATED: APRIL 18, 2019



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of **FRONTERA ENERGY CORPORATION** (the “**Corporation**”) will be held on Wednesday, May 29, 2019 at 10:00 a.m. (Toronto time) at the offices of McMillan LLP, in the Rowell Room, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario, Canada for the following purposes:

1. **TO RECEIVE** and consider the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2018, together with the report of the auditor thereon;
2. **TO SET** the number of directors of the Corporation for the ensuing year at seven (7) members;
3. **TO ELECT** seven (7) directors to hold office until the close of the next annual meeting of Shareholders;
4. **TO RE-APPOINT** Ernst & Young LLP as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
5. **TO CONSIDER**, and if deemed appropriate, approve an ordinary resolution amending and confirming the continuation of the amended and restated shareholder rights plan of the Corporation by way of two separate votes to be conducted by ballot, as more particularly described in the accompanying management information circular (the “**Circular**”); and
6. **TO TRANSACT** such further and other business as may properly come before the Meeting or any adjournments or postponements thereof.

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* (the “**Notice-and-Access Provisions**”) for the Meeting. Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Corporation to post the Circular and any additional materials online. Under the Notice-and-Access Provisions, instead of receiving printed copies of the Meeting materials, Shareholders will receive a notice-and-access notification containing details of the Meeting date, location and purpose, as well as information on how they can access the Meeting materials electronically.

The Circular is available at [www.fronteraenergy.ca](http://www.fronteraenergy.ca) and under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Any Shareholder who wishes to receive a paper copy of the Circular should contact the Secretary of the Corporation at the Corporation’s head office at 333 Bay Street, Suite 1100, Toronto, Ontario M5H 2R2, by telephone: 1-866-962-0498 (toll free within North America) or 1-514-982-8716 (outside of North America) for Shareholders with a 15 digit control number or 1-877-907-7643 (toll free within North America) or 1-905-507-5450 (outside of North America) for Shareholders with a 16 digit control number or as otherwise indicated in the Meeting materials. Any Shareholder who wishes to receive a paper copy of the Circular after the Meeting should contact the Secretary of the Corporation at 416-362-7735. A Shareholder may also use the numbers noted above to obtain additional information about the Notice-and-Access Provisions. Under the Notice-and-Access Provisions, Meeting-related materials will be available for viewing for up to one year from the date of posting and a paper copy of the materials can be requested at any time during this period.

In order to allow for reasonable time to be allotted for a Shareholder to receive and review a paper copy of the Circular prior to the proxy deadline, any Shareholder wishing to request a paper copy of the Circular as described above should ensure such request is received no later than Friday, May 17, 2019.

The accompanying Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this notice of Meeting. The procedures by which Shareholders may exercise their right to vote with respect to the matters at the Meeting will vary depending on whether a Shareholder is a registered Shareholder (that is, a Shareholder who holds Common Shares directly in his, her or its own name and is entered on the register of Shareholders) (“**Registered Shareholders**”) or a non-registered Shareholder (that is, a Shareholder who holds Common Shares through an intermediary such as a bank, trust company, securities dealer or broker) (“**Non-Registered Shareholders**”). The record date for the determination of Shareholders entitled to receive notice of and

to vote at the Meeting is April 18, 2019 (the “**Record Date**”). Registered Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of such Shareholder's Common Shares after such date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

**Registered Shareholders may attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting, or any adjournments or postponements thereof, in person are requested to date, sign and return the enclosed form of proxy (the “Proxy Form”) for use at the Meeting or any adjournments or postponements thereof. To be effective, the Proxy Form must be deposited with the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada: (i) by mail, using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (iii) by telephone to 1-866-732-VOTE (8683) (toll free within North America) or to 1-312-588-4290 (outside North America); or (iv) through the internet by using the control number located at the bottom of your Proxy Form at [www.investorvote.com](http://www.investorvote.com), on or before 10:00 a.m. (Toronto time) on Monday, May 27, 2019 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.**

**The persons named in the enclosed Proxy Form are officers of the Corporation. Each Registered Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act on such Shareholder’s behalf at the Meeting. To exercise this right, the names of the nominees of management should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided.**

Non-Registered Shareholders must seek instructions on how to complete their voting instruction form and vote their Common Shares from their broker, trustee, financial institution or other nominee, as applicable.

If you are a Registered Shareholder and have any questions relating to the Meeting, please contact Computershare Investor Services Inc. by telephone at 1-800-564-6253 (toll free within North America) or 1-514-982-7555 (outside of North America) or by email at [service@computershare.com](mailto:service@computershare.com). If you are a Non-Registered Shareholder and have any questions relating to the Meeting, please contact your intermediary through which you hold your Common Shares or the Corporation at: 416-362-7735.

If you are a Non-Registered Shareholder and have any questions about the how to vote your shares, please contact your intermediary through which you hold your Common Shares.

**DATED** at Toronto, Ontario, this 18<sup>th</sup> day of April, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) “Andrew Kent”*

**Andrew Kent  
General Counsel and Secretary**

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## FRONTERA ENERGY CORPORATION

### Management Information Circular for the Annual General and Special Meeting of Shareholders to be held on May 29, 2019.

#### GENERAL PROXY INFORMATION

This management information circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of **FRONTERA ENERGY CORPORATION** (the “**Corporation**” or “**Frontera**”) for use at the annual general and special meeting of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation (the “**Meeting**”) and at any adjournments or postponements thereof, for the purposes set forth in the attached notice of Meeting (the “**Notice of Meeting**”). The Meeting is scheduled to be held on Wednesday, May 29, 2019 at **10:00 a.m. (Toronto time) at the offices of McMillan LLP, in the Rowell Room, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario, Canada**. The cost of solicitation of proxies will be borne by the Corporation.

Only Shareholders of record at the close of business on April 18, 2019 (the “**Record Date**”) are entitled to notice of, and to attend and vote at, the Meeting. Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of such Shareholder's Common Shares after such date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

The persons named in the enclosed Proxy Form are officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act on such Shareholder's behalf at the Meeting. To exercise this right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

Please read this Circular carefully to obtain information about how you may participate at the Meeting either in person or through the use of proxies. Unless otherwise stated, information contained in this Circular is given as at April 18, 2019.

#### **Distribution of Meeting Materials**

##### *Notice and Access Notification*

The Corporation has elected to use the notice-and-access provisions (“**Notice-and-Access Provisions**”) under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations* for the Meeting in respect of delivering the Meeting materials to Shareholders.

The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online. The Corporation believes this environmentally friendly process will provide Shareholders with a convenient way to access the Meeting materials, while allowing the Corporation to lower the costs associated with printing and distributing the Meeting materials.

Although the Corporation has elected to use the Notice-and-Access Provisions, both registered Shareholders (that is, a Shareholder who holds Common Shares directly in his, her or its own name and is entered on the register of Shareholders) (“**Registered Shareholders**”) and non-registered Shareholders (that is, a Shareholder who holds Common Shares through an intermediary such as a bank, trust company, securities dealer or broker) (“**Non-Registered Shareholders**”) will receive a package which will include either a form of proxy (the “**Proxy Form**”) or a voting instruction form (“**VIF**”), among other materials. Shareholders may receive multiple packages of these Meeting materials if a Shareholder holds Common Shares through more than one intermediary, or if a Shareholder is both a Registered Shareholder and a Non-Registered Shareholder for different shareholdings.

Should a Shareholder receive multiple packages, a Shareholder should repeat the steps to vote through a proxy, appoint a proxyholder or attend the Meeting, if desired, separately for each package to ensure that all the Common Shares from the various shareholdings are voted at the Meeting.

Pursuant to NI 54-101, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to Non-Registered Shareholders. The Corporation will provide, without cost to such persons, upon request to the Secretary of the Corporation, additional copies of the above-noted documents required for this purpose.

## **Non-Objecting Beneficial Owners**

These Meeting materials are being sent to both Registered and Non-Registered Shareholders. Non-objecting beneficial owners are Non-Registered Shareholders who have advised their intermediary that they do not object to their intermediary disclosing ownership information to the Corporation. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these Meeting materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF delivered to you. The Corporation does not intend to pay for intermediaries to forward Meeting materials to objecting beneficial owners and an objecting beneficial owner will not receive Meeting materials unless such objecting beneficial owner's intermediary assumes the cost of delivery. An objecting beneficial owner is a Non-Registered Shareholder that objects to their intermediary disclosing their ownership information.

## **Questions & Answers – Voting and Proxies**

Your vote is very important to Frontera. We encourage you to exercise your right to vote through one of the various methods outlined below.

The procedures by which Shareholders may exercise their right to vote with respect to the matters at the Meeting will vary depending on whether a Shareholder is a Registered Shareholder or a Non-Registered Shareholder.

The questions and answers below give general guidance for voting your Common Shares. Unless otherwise noted, all answers relate to both Registered Shareholders and Non-Registered Shareholders. If you are a Registered Shareholder and have any questions, you may call Computershare Investor Services Inc. (“**Computershare**”) at 1-800-564-6253 (toll-free within North America) or at 1-514-982-7555 (outside of North America) or email at [service@computershare.com](mailto:service@computershare.com). If you are a non-Registered Shareholder and have any questions relating to the Meeting, please contact your intermediary through which you hold your Common Shares or the Corporation at 416-362-7735.

### **Q: *On what am I voting?***

A: You will be voting to:

- set the number of directors of the Corporation for the ensuing year at seven (7);
- elect seven (7) directors to hold office until the close of the next annual meeting of Shareholders;
- re-appoint the auditor of the Corporation and to authorize the Board (as defined herein) to fix their remuneration; and
- adopt a resolution, to amend and confirm the continuation of the amended and restated shareholder rights plan of the Corporation.

### **Q: *What if there are amendments or if other matters are brought before the Meeting?***

A: Your proxyholder has discretionary authority for amendments that are made to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting, or any adjournments or postponements thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendments or other matters to be presented at the Meeting; however, if any such matter is presented, your Common Shares will be voted in accordance with the best judgment of your proxyholder.

### **Q: *Am I entitled to vote?***

A: You are entitled to vote if you were a holder of Common Shares as of the close of business on April 18, 2019, which is the Record Date for the Meeting. Each Common Share is entitled to one vote. To the extent a Shareholder transfers the ownership of any of such Shareholder's Common Shares after such date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting

### **Q: *How do I vote?***

A: How you vote depends on whether you are a Registered Shareholder or a Non-Registered Shareholder. Please carefully read the voting instructions below that are applicable to you.

**Q: Am I a Registered Shareholder?**

A: Only a relatively small number of Shareholders are Registered Shareholders. You are a Registered Shareholder if you hold any Common Shares in your own name and are identified on the share register maintained by the Corporation's transfer agent, Computershare Trust Company of Canada (the "Transfer Agent"), as being a Shareholder.

**Q: Am I a Non-Registered Shareholder (also commonly referred to as a beneficial shareholder)?**

A: Most Shareholders of the Corporation are Non-Registered Shareholders. You are a Non-Registered Shareholder if your Common Shares are held in an account in the name of an intermediary, such as a bank, broker or trust company. You do not have a share certificate registered in your name, but your ownership interest in Common Shares is recorded in an electronic system maintained by parties other than the Corporation. Therefore, you are not identified on the share register maintained by the Transfer Agent as being a Shareholder; rather, the Corporation's share register shows the Shareholder of your Common Shares as being the depositary or intermediary through which you own the Common Shares.

**Q: How do I vote if I am a Registered Shareholder?**

A: If you are a Registered Shareholder, you may vote your Common Shares in one of the following ways:

*1. Attend the Meeting*

If you wish to vote in person at the Meeting, you are not required to complete or return the enclosed Proxy Form included with the materials sent to you. You may simply attend the Meeting and you will be entitled to vote during the course of the Meeting. When you arrive at the Meeting, please register with the Transfer Agent at the registration table.

*2. By Proxy*

You can vote by proxy whether or not you attend the Meeting. To vote by proxy, please complete the Proxy Form and return it in accordance with the instructions provided below. You may choose the nominees of the Corporation included on the Proxy Form to be your proxyholder or, alternatively, **you may appoint another person or company to be your proxyholder**. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided. The Proxy Form must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal by a duly authorized officer or attorney of the corporation. To be effective, the Proxy Form must be deposited with the Transfer Agent: (i) by mail, using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (iii) by telephone to 1-866-732-VOTE (8683) (toll free within North America) or to 1-312-588-4290 (outside North America); or (iv) through the internet by using the control number located at the bottom of your Proxy Form at [www.investorvote.com](http://www.investorvote.com), on or before **10:00 a.m. (Toronto time)** on Monday, May 27, 2019 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

Unless you choose another person or company to be your proxyholder, you are giving the persons named on the Proxy Form the authority to vote your Common Shares at the Meeting or at any adjournments or postponements of the Meeting. The names already inserted on the Proxy Form are Richard Herbert, Chief Executive Officer ("CEO") of the Corporation, David Dyck, Chief Financial Officer ("CFO") of the Corporation and Andrew Kent, General Counsel.

**Q: How will my Common Shares be voted?**

A: On the Proxy Form, you can indicate how you want your proxyholder to vote your Common Shares, or you can let your proxyholder decide for you. If you have specified on the Proxy Form how you want your Common Shares to be voted on a particular issue (by marking FOR, AGAINST or WITHHOLD), then your proxyholder must vote your Common Shares accordingly. If you have not specified on the Proxy Form how you want your Common Shares to be voted on a particular issue, then your proxyholder can vote your Common Shares as he or she sees fit.

**Unless contrary instructions are provided, Common Shares represented by proxies received by management will be voted:**

FOR setting the number of directors of the Corporation for the ensuing year at seven;

FOR the election of all individual director nominees named in this Circular;

FOR the re-appointment of the auditor named in this Circular and to authorize the Board to fix their remuneration; and

FOR adopting a resolution amending and confirming the continuation of the amended and restated shareholder rights plan of the Corporation.

**Q: What if my Common Shares are registered in more than one name or in the name of a company?**

A: If the Common Shares are registered in more than one name, all registered persons must sign the Proxy Form. If the Common Shares are registered in a company's name or any name other than your own, you must provide documents showing your authorization to sign the Proxy Form for that company or name.

**Q: How do I vote if I am a Non-Registered shareholder?**

A: If you are a Non-Registered Shareholder, you may vote your Common Shares in one of the following ways:

1. *Through your intermediary*

A VIF should be included with the materials sent to you. The purpose of the VIF is to instruct your intermediary how to vote on your behalf. Please follow the instructions provided on the VIF and communicate your voting instructions in accordance with the VIF.

2. *Attend the Meeting*

If you wish to vote in person at the Meeting, you should take these steps:

- Insert your name in the space provided on the VIF provided to you by your intermediary or the Corporation and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint you as proxyholder.
- Do not otherwise complete the VIF, as you will be voting at the Meeting.
- When you arrive at the Meeting, please register with the Transfer Agent at the registration table.

**Please note that you will not be admitted to vote at the Meeting by presenting a VIF. The VIF must be completed prior to the Meeting and submitted to your applicable intermediary.**

3. *Designate another person to be appointed as your proxyholder*

You can choose another person (including someone who is not a Shareholder) to vote for you as proxyholder. If you appoint someone else, he or she must be present at the Meeting to vote for you. If you wish to appoint a proxyholder, you should insert that person's name in the space provided on the VIF provided to you by your intermediary or the Corporation and sign and return it in accordance with the instructions provided on or before 10:00 a.m. (Toronto time) on Monday, May 27, 2019 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. By doing so, you are instructing your intermediary to appoint that person as proxyholder. When your proxyholder arrives at the Meeting, he or she should register with the Transfer Agent at the registration table.

**Q: Can I revoke my proxy or voting instructions?**

A: If you are a **Registered Shareholder**, you may revoke your proxy by taking one of the following steps:

- You may submit a new Proxy Form to the Transfer Agent at any time before 10:00 a.m. (Toronto time) on Monday, May 27, 2019 or not later than forty-eight (48) hours (excluding Saturdays, Sundays or statutory holidays in the Province of Ontario) before any adjournment of the Meeting;
- You (or your attorney, if authorized in writing) may sign a written notice of revocation addressed to the Secretary of the Corporation and mail or hand deliver it to the head office of the Corporation at 333 Bay Street, Suite 1100, Toronto, Ontario M5H 2R2, at any time before 5:00 p.m. (Toronto time) on Tuesday, May 28, 2019 or not later than twenty-four (24) hours (excluding Saturdays, Sundays or statutory holidays in the Province of Ontario) before any adjournment of the Meeting; or



- You (or your attorney, if authorized in writing) may sign a written notice of revocation and deliver it to the Chairman of the Meeting prior to the start of voting on such matters.

If you are a **Non-Registered Shareholder**, you should contact your intermediary through which you hold Common Shares and obtain instructions regarding the procedure for the revocation of any voting or proxyholder instructions that you have previously provided to your intermediary. Any revocation must be received by the Transfer Agent or Corporation before 10:00 a.m. (Toronto time) on Monday, May 27, 2019 or not later than forty-eight (48) hours (excluding Saturdays, Sundays or statutory holidays in the Province of Ontario) before any adjournment or postponement of the Meeting.

**Q: Who counts the votes?**

A: For any matter for which a vote is taken at the Meeting by ballot, the votes, including those cast by way of proxies, will be counted by the scrutineers appointed at the Meeting. It is expected that representatives of the Transfer Agent will act as scrutineers at the Meeting.

**QUORUM**

Two Shareholders, present in person or represented by proxy holding at least twenty-five percent (25%) of the Common Shares as of the Record Date will constitute a quorum at the Meeting or any adjournments or postponements thereof.

The Corporation's list of Shareholders as of the Record Date has been used to deliver to Shareholders the Notice of Meeting and this Circular (to the extent applicable) as well as to determine who is eligible to vote at the Meeting.

**RECORD DATE**

Shareholders registered on the records of the Corporation at the close of business on the Record Date (being April 18, 2019) are entitled to vote at the Meeting.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, proposed nominee for election as a director of the Corporation or any associate, or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

**VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As of the Record Date, the Corporation has 97,955,374 issued and outstanding Common Shares, each carrying one vote.

Only Shareholders of record at the close of business on the Record Date, who either personally attend the Meeting or who have properly completed and delivered a Proxy Form or VIF in the manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

To the knowledge of the Corporation, there is no person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities in the capital of the Corporation, other than:

Name	Number of Common Shares Held	Approximate Percentage of Outstanding Common Shares
The Catalyst Capital Group Inc. ("Catalyst") <sup>(1)(2)</sup>	32,623,803	33.3%

Notes:

(1) Based on information obtained from Catalyst's public filing made on the System for Electronic Disclosure by Insiders (SEDI) at [www.sedi.ca](http://www.sedi.ca).

(2) The Chairman of the Board (as defined herein), Gabriel de Alba, is also the managing partner and director of Catalyst.

**BUSINESS OF THE MEETING**

**Receipt of Financial Statements**

The audited comparative financial statements of the Corporation as at and for the financial year ended December 31, 2018 and accompanying auditor's report thereto will be presented to Shareholders at the Meeting. The financial

statements, together with the auditor's report thereon for the year ended December 31, 2018, were mailed to Shareholders who have requested a copy.

### Number of Directors

The Board presently consists of seven (7) directors and it is proposed that seven (7) directors be elected at the Meeting. This requires the approval of Shareholders by ordinary resolution, which approval will be sought at the Meeting. The term of office of each of the current directors expires at the Meeting and all current directors are seeking re-election.

**The management nominees named in the accompanying Proxy Form or VIF intend to vote FOR setting the number of directors at seven (7), unless a Shareholder directs in the Proxy Form or VIF that his, her or its Common Shares are to be voted against such matter.**

### Election of Directors

The persons named below will be presented for election at the Meeting as management's nominees. Each director elected will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless his or her office is vacated earlier.

Management does not contemplate that any of these nominees will be unable to serve as a director. If, for any reason, at the time of the Meeting any of the nominees are unable to serve as a director, the persons named in the accompanying Proxy Form or VIF reserve the right to vote for another nominee in their discretion unless a Shareholder has directed that their Common Shares are to be withheld from voting in the election of directors.

**The Proxy Form and VIF permit Shareholders to vote in favour of all nominees, vote in favour of some nominees and to withhold votes for other nominees, or to withhold votes for all nominees. The management nominees named in the accompanying Proxy Form or VIF intend to vote FOR the election of these nominees, unless a Shareholder has specified in the Proxy Form or VIF that his, her or its Common Shares are to be voted otherwise.**

### Director Nominees Biographies

The following information relating to the nominees as directors is based on the records of the Corporation and on information received from the nominees and sets out the name, age, city, province or state and country of residence of each person proposed to be nominated for election as a director, his or her principal occupation, business or employment for the five preceding years, the period of time for which he or she has been a director of the Corporation, and the number of Common Shares or DSUs (as defined herein) beneficially owned, or controlled or directed by him or her, directly or indirectly, as at April 18, 2019.

<p><b>Gabriel de Alba</b> Age: 46 Toronto, Ontario, Canada Director since November 2, 2016 Independent (Chairman of the Board)</p>	<p><b>Gabriel de Alba</b> has been the Managing Director and Partner of Catalyst since 2002. Mr. de Alba is currently the chairman of the board of directors of Therapure Biopharma Inc., Gateway Casinos &amp; Entertainment, Sonar Entertainment and Advantage Rent A Car. Mr. de Alba has, since 2002, been involved in numerous distressed or under-valued situations including (in addition to the portfolio companies previously referred to) AT&amp;T Canada, Call-Net Inc., Stelco Inc., IMAX Corporation, Countryside Power Income Fund, Canwest, Tervita Corporation, The Fresh Market, SFX Entertainment Inc., and YRC Worldwide Inc. Prior to joining Catalyst at its inception in 2002, Mr. de Alba worked at AT&amp;T Latin America. Mr. de Alba was a founding member of the Bank of America International Merchant Banking Group and, prior to that, worked in Bankers Trust's New York Merchant Banking Group.</p> <p>Mr. de Alba is fluent in five languages and holds a double B.S. in Finance and Economics from the NYU Stern School of Business, an M.B.A. from Columbia University and has completed graduate courses in Mathematics, Information Technology and Computer Sciences at Harvard University.</p>					
<b>Securities Held</b>						
Common Shares	DSUs		Total Amount at Risk (C\$) <sup>(4)</sup>			
0	44,121		536,955			
<b>Board and Committee Positions and Memberships</b>	<b>2018 Attendance</b>		<b>2018 Annual Meeting Voting Results</b>			
Board of Directors	10/10	100%	Votes in Favour:		Votes Withheld:	
Compensation and Human Resources Committee <sup>(1)</sup>	7/7	100%	28,483,190	99.37%	181,113	0.63%

<p><b>Luis Fernando Alarcon</b> Age: 67 Bogotá, Colombia Director since November 2, 2016 Independent</p>	<p><b>Luis Fernando Alarcon</b> is a seasoned Colombian executive with strong connections in the Colombian business environment. He currently serves as Chairman of the board of directors of Grupo Sura and Almacenes Exito, two of the largest holdings in Colombia, and is a member of the board of directors of Emgesa S.A. E.S.P. From 2007 to 2015, Mr. Alarcon served as CEO of Interconexión Eléctrica S.A. E.S.P.</p> <p>Mr. Alarcon is a Civil Engineer with a degree from Universidad de Los Andes (1975) and obtained a Masters in Civil Engineering from Massachusetts Institute of Technology (1979).</p>
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Securities Held						
Common Shares	DSUs		Total Amount at Risk (C\$) <sup>(4)</sup>			
0	37,503		456,413			
Board and Committee Positions and Memberships	2018 Attendance		2018 Annual Meeting Voting Results			
Board of Directors	8/10	80%	Votes in Favour:		Votes Withheld:	
Corporate Governance Committee <sup>(2)</sup>	4/4	100%	28,527,08	99.52%	137,223	0.48%

<p><b>W. Ellis Armstrong</b> Age: 61 London, United Kingdom Director since November 2, 2016 Independent</p>	<p><b>Ellis Armstrong</b> is a chartered engineer with over 35 years of international oil and gas industry with BP in Argentina, Colombia, Venezuela, Trinidad, Alaska and the North Sea. He currently serves as an independent director of Lloyds Register Group. From 1981 through 2013, Dr. Armstrong held various senior strategy, commercial, technical and operational roles with BP and was also the Chief Financial Officer for the group's global exploration and production business.</p> <p>Dr. Armstrong has a BSc and PhD in Civil Engineering from Imperial College, and a Master's degree in Business Administration from Stanford Business School.</p>
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Securities Held						
Common Shares	DSUs		Total Amount at Risk (C\$) <sup>(4)</sup>			
0	37,503		456,413			
Board and Committee Positions and Memberships	2018 Attendance		2018 Annual Meeting Voting Results			
Board of Directors	9/10	90%	Votes in Favour:		Votes Withheld:	
Audit Committee <sup>(3)</sup>	8/8	100%	28,657,086		99.97%	
Corporate Governance Committee <sup>(2)</sup>	4/4	100%				
			7,217		0.03%	

<p><b>Raymond Bromark</b> Age: 73 Sarasota, Florida, USA Director since November 2, 2016 Independent</p>	<p><b>Raymond Bromark</b> is a certified public accountant and retired partner of PricewaterhouseCoopers LLP where he served for almost 40 years. Mr. Bromark joined PricewaterhouseCoopers LLP's staff in Chicago in 1967 and held various senior roles until his retirement in 2006. He currently serves as director and chair of the audit and ethics committee for YRC Worldwide Inc. Previously, he served as a director and chair of the audit committee and a member of the conflicts committee for Tesoro Logistics GP LLC prior to its October 2018 merger with Marathon Petroleum Corporation, and a director and chair of the audit committee of CA, Inc. prior to its acquisition by Broadcom in November 2018.</p> <p>Mr. Bromark earned a BSc degree in Business Management from Quincy University and is a Member of the American Institute of Certified Public Accountants.</p>
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Securities Held						
Common Shares	DSUs		Total Amount at Risk (C\$) <sup>(4)</sup>			
0	21,888		266,372			
Board and Committee Positions and Memberships	2018 Attendance		2018 Annual Meeting Voting Results			
Board of Directors	10/10	100%	Votes in Favour:		Votes Withheld:	
Audit Committee <sup>(3)</sup>	8/8	100%	28,658,609	99.98%	5,694	0.02%

<p><b>Russell Ford</b> Age: 59 Austin, Texas, USA Director since November 2, 2016</p>	<p><b>Russell Ford</b> is a senior executive with more than 35 years of experience in the global oil and gas industry. He previously served on the board of GATE Holdings, LLC (oil and gas services) and Quick Connectors, Inc. He also served as Chairman of the Board of Aera Energy from 2012 to 2015. He led Royal Dutch Shell Group's global supply chain activities as Executive Vice-</p>
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Independent	<p>President of Contracting and Procurement from 2013 to 2015 and prior to that was the Executive Vice-President Onshore from 2009 to 2012.</p> <p>Mr. Ford holds a BSc in Mechanical Engineering from the University of Michigan and an MBA from California State University. He also acts in an advisory capacity for companies on project-specific matters.</p>
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Securities Held						
Common Shares	DSUs		Total Amount at Risk (C\$) <sup>(4)</sup>			
0	29,766		362,255			
Board and Committee Positions and Memberships	2018 Attendance		2018 Annual Meeting Voting Results			
Board of Directors	10/10	100%	Votes in Favour:		Votes Withheld:	
Compensation and Human Resources Committee <sup>(1)</sup>	7/7	100%				
Audit Committee <sup>(3)</sup>	8/8	100%	28,657,609	99.98%	6,694	0.02%

<p><b>Orlando Cabrales</b> Age: 49 Bogotá, Colombia Director since November 7, 2018 Independent</p>	<p><b>Orlando Cabrales</b> is a leader in the public and private energy sector in Colombia with over 30 years experience. He currently serves as the President of NATURGAS, the Colombian natural gas trade association. Previously, he served as Vice Minister of Energy of the Ministry of Mines and Energy in Colombia between 2013 and 2014 and as the President of the Agencia Nacional de Hidrocarburos from 2011 to 2013. Mr. Cabrales has held senior roles at BP in Latin America and has been on the boards of numerous companies in Colombia, including ISAGEN S.A., Tuscany Drilling, CENIT and ISA.</p> <p>Mr. Cabrales earned an undergraduate degree in Law from Pontifical Javeriana University and a Masters degree in Philosophy from Boston College.</p>
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Securities Held						
Common Shares	DSUs		Total Amount at Risk (C\$) <sup>(4)</sup>			
0	5,454		66,369			
Board and Committee Positions and Memberships	2018 Attendance		2018 Annual Meeting Voting Results			
Board of Directors	2/2	100%	Votes in Favour:		Votes Withheld:	
Compensation and Human Resources Committee <sup>(1)</sup>	1/1	100%				
			N/A	N/A	N/A	N/A

<p><b>Veronique Giry</b> Age: 52 Calgary, Alberta, Canada Director since November 7, 2018 Independent</p>	<p><b>Veronique Giry</b> is a senior executive with 29 years of experience. She currently serves as Vice-President and Chief Operating Officer of ISH Energy Limited in Calgary, Canada. From 2016 through 2017, Ms. Giry was Vice-President, Industry Operations at the Alberta Energy Regulator and between 2015 and 2016 she was the Principal Consultant of Giry O&amp;G Advisors. Prior to that role, she worked at Total Exploration &amp; Production where she has held various roles in France, Latin America, Canada, Europe and the UK; the most recent, being Vice-President, Thermal Assets and Exploration Leases in Calgary, Canada.</p> <p>Ms. Giry earned a Masters in Engineering degree from Ecole Centrale de Paris, France, with a major in Mechanics and sits as a volunteer on the Board of Alliance Francaise of Calgary.</p>
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Securities Held						
Common Shares	DSUs		Total Amount at Risk (C\$) <sup>(4)</sup>			
0	5,454		66,369			
Board and Committee Positions and Memberships	2018 Attendance		2018 Annual Meeting Voting Results			
Board of Directors	2/2	100%	Votes in Favour:		Votes Withheld:	
Corporate Governance Committee <sup>(2)</sup>	1/1	100%				
			N/A	N/A	N/A	N/A

Notes:

- (1) The Compensation and Human Resources Committee of the Board (the “**Compensation and Human Resources Committee**”) consists of Messrs. de Alba, Ford and Cabrales. Mr. de Alba serves as the chair of the Compensation and Human Resources Committee. If elected, the current members of the Compensation and Human Resources Committee will be nominated to such committee, which will be reconstituted after the Meeting.
- (2) The Corporate Governance, Nominating and Sustainability Committee of the Board (the “**Corporate Governance Committee**”) consists of Messrs. Alarcon, Armstrong and Ms. Giry. Mr. Alarcon serves as the chair of the Corporate Governance Committee. If elected, the current members of the Corporate Governance Committee will be nominated to such committee, which will be reconstituted after the Meeting.

- (3) The Audit Committee of the Board (the “**Audit Committee**”) consists of Messrs. Bromark, Armstrong and Ford. Mr. Bromark serves as the chair of the Audit Committee. If elected, the current members of the Audit Committee will be nominated to such committee, which will be reconstituted after the Meeting.
- (4) Based on multiplying the Toronto Stock Exchange (the “**TSX**”) closing price of Common Shares of C\$12.17 on April 18, 2019 by the number of DSUs outstanding as at April 18, 2018. Numbers may not add due to rounding. For further information see “Statement of Executive Compensation - Incentive Plan Awards to Directors.”

#### *Additional Information Relating to Proposed Directors*

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) is, as of the date hereof, or was within ten years before the date hereof, a director, CEO or CFO of any company (including Frontera), that was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, referred to as an “**Order**”); or was subject to an Order that was issued after the director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

To the knowledge of the Corporation, no proposed director (nor any personal holding company of any of such persons) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including Frontera) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation, no proposed director (nor any personal holding company of any of such persons) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### *Majority Voting Policy*

The Board has approved a policy (the “**Majority Voting Policy**”) providing that if a nominee director receives a greater number of votes “withheld” from his or her election than votes “in favour” of his or her election, then such director will submit his or her resignation immediately after such meeting for consideration by the Corporate Governance Committee, who shall accept such resignation, absent exceptional circumstances. After reviewing the matter, the Board shall act on the Corporate Governance Committee’s recommendation to determine whether or not to accept the resignation within ninety calendar days following the date of the applicable meeting of Shareholders, after taking into account factors considered by the committee, and shall promptly announce its decision via press release. Such director will not participate in any Corporate Governance Committee or Board deliberations regarding the resignation offer. The Majority Voting Policy does not apply in circumstances involving contested director elections. A copy of the Majority Voting Policy is available on the Corporation’s website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca).

#### **Re-Appointment of Auditor**

At the Meeting, it is proposed that Ernst & Young LLP be re-appointed as auditor of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the Board to fix their remuneration. Ernst & Young LLP has served as auditor of the Corporation since August 8, 2007.

#### *Audit Fees and Pre-Approval of Audit Services*

The following are the aggregate fees incurred by the Corporation for services provided by its external auditors during fiscal 2016 to 2018 (U.S.\$):

	2016 <sup>(4)</sup>	2017 <sup>(4)(5)</sup>	2018 <sup>(4)</sup>
Audit Fees <sup>(1)(2)</sup>	2,360,000	2,143,000	1,934,000
Audit Related Fees <sup>(2)</sup>	23,000	442,000	160,000
Tax Fees <sup>(3)</sup>	184,000	188,000	52,000
All Other Fees	-	-	-
<b>Total</b>	<b>2,567,000</b>	<b>2,773,000</b>	<b>2,146,000</b>

#### Notes:

- (1) Includes fees related to the fiscal year audit and interim reviews of the Corporation’s consolidated financial statements, notwithstanding when the fees were billed or when the services were rendered. This category includes fees for audit or other attest services required by legislation including statutory audits.

- (2) Includes fees billed for assurance and related services by Ernst & Young LLP that are reasonably related to the performance of the audit or review of the Corporation's Financial Statements. These fees are for services rendered from January through December of the fiscal year, notwithstanding when the fees were billed.
- (3) Includes fees for tax compliance and tax advice. These fees are for services rendered from January through December of the fiscal year, notwithstanding when the fees were billed.
- (4) Canadian and Colombian fees have been converted to U.S.\$ using the average exchange rate for each year.
- (5) The 2017 fees have been adjusted to reflect incremental fees that were agreed to subsequent to the completion of the prior year's audit.

Management and the Audit Committee recommend that Ernst & Young LLP be re-appointed as auditor of the Corporation.

**The management nominees named in the accompanying Proxy Form or VIF intend to vote FOR the reappointment of Ernst & Young LLP as auditor of the Corporation and to authorize the Board to fix their remuneration, unless a Shareholder directs in the Proxy Form or VIF that his, her or its Common Shares are to be voted otherwise.**

### **Approval of Confirmation and Amendment of Rights Plan**

The Corporation adopted a shareholder rights plan and entered into a shareholder rights plan agreement dated effective November 2, 2016 with Computershare Trust Company of Canada, as rights agent, which was subsequently amended and restated on November 20, 2017 to reflect the change of the name of the Corporation and to correct clerical errors (the "**Rights Plan**").

At the Meeting, Shareholders will be asked to pass an ordinary resolution to amend and confirm the continuation of the Rights Plan by way of two separate votes (the "**Rights Plan Resolution**"). The text of the Rights Plan Resolution and summary of proposed amendments are described below. To be amended, continue in effect after the Meeting and be fully accepted by the TSX, the Rights Plan Resolution must be approved by both (i) a simple majority of votes (50 percent plus one) cast by Shareholders at the Meeting; and (ii) a simple majority of votes (50 percent plus one) cast by Independent Shareholders at the Meeting. **If the Rights Plan Resolution is not passed, the Rights Plan will terminate on May 29, 2019.** If the Rights Plan Resolution is passed, the Rights Plan will be amended as set out herein (the "**Amended and Restated Shareholder Rights Plan**"), and will then require reconfirmation by the Independent Shareholders at the 2022 annual meeting of shareholders.

#### *Proposed Amendments*

The Amended and Restated Shareholder Rights Plan contains substantially the same terms and conditions as the current version of the Rights Plan. The amendments are being made to: (i) provide greater clarification in respect of the permitted bid definition; and (ii) remove certain provisions that will no longer be effective as of the date of the Meeting as further described in the summary below.

Under the Rights Plan, the definition of "Permitted Bid" (see below) refers to a take-over bid by means of a take-over bid circular pursuant to and in compliance with NI 62-104 – *Take-Over Bids and Issuer Bids* ("**NI 62-104**"). The Amended and Restated Shareholder Rights Plan amends this definition to provide further clarification by setting out the key conditions that have to be met under NI 62-104, including that a permitted bid must remain open for 105 days after the offer date of the bid (or such shorter period of time as required under NI 62-104) and then for another ten days following public announcement that more than 50% of the outstanding shares held by Independent Shareholders (which excludes shares owned by the bidder and its joint actors) and grandfathered persons have been deposited or tendered and not withdrawn for purchase by the bidder.

The Rights Plan has also been amended to remove references to certain Board approvals that will not be applicable following the Meeting.

A copy of the Amended and Restated Shareholder Rights Plan will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Purpose of the Amended and Restated Shareholder Rights Plan*

The purpose of the Amended and Restated Shareholder Rights Plan is to provide the Board and Shareholders with sufficient time to properly consider any take-over bid made for the Corporation and to allow enough time for competing bids and alternative proposals to emerge.

A shareholder rights plan is a common mechanism used by public companies to encourage the fair and equal treatment of all shareholders in the face of a take-over initiative.

The Amended and Restated Shareholder Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a "Permitted Bid" (described below), which generally requires a take-over bid to be made by way of a take-over bid circular in compliance with NI 62-104, or with the concurrence of Shareholders and the Board. If a take-over bid fails to meet these requirements, the Amended and Restated Shareholder Rights Plan provides

that holders of our Common Shares other than the Acquiring Person (as defined below), will be able to purchase additional Common Shares at a significant discount to market, thus exposing the Acquiring Person to substantial dilution of its holdings.

The Amended and Restated Shareholder Rights Plan is initially not dilutive. However, if a “Flip-in Event” (described below) occurs, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

The Board believes that the primary effect of the Amended and Restated Shareholder Rights Plan will be to continue to enhance shareholder value and ensure equal treatment of all Shareholders in the context of an acquisition of control.

The Amended and Restated Shareholder Rights Plan was conditionally accepted by the TSX on April 15, 2019.

Neither the Rights Plan nor the Amended and Restated Shareholder Rights Plan was adopted in response to or in anticipation of any pending or threatened take-over bid.

#### *Board review*

The Board, as part of its review and analysis of the Amended and Restated Shareholder Rights Plan, considered various matters and obtained advice from legal counsel, and was satisfied that the Amended and Restated Shareholder Rights Plan remains consistent with the latest generation of Canadian rights plans.

The Amended and Restated Shareholder Rights Plan does not reduce the duty of the Board to act honestly, in good faith and in the best interests of the Corporation, and to act on that basis if any offer is made.

The Amended and Restated Shareholder Rights Plan is not intended to and will not entrench the Board. The Amended and Restated Shareholder Rights Plan does not interfere with the legal rights of Shareholders to change the Board through proxy voting mechanisms, does not create dilution unless the Amended and Restated Shareholder Rights Plan is triggered and does not change the way in which Common Shares trade.

#### *Summary of the Amended and Restated Shareholder Rights Plan*

The following is a summary only of the Amended and Restated Shareholder Rights Plan, which is qualified in its entirety by reference to the full text of the Amended and Restated Shareholder Rights Plan. All capitalized terms used in this summary and not defined have the meaning attributed to them in the Amended and Restated Shareholder Rights Plan.

#### *Effective Date and Term*

The Rights Plan came into effect on November 2, 2016 and was amended and restated on November 20, 2017. Pursuant to its terms, the Rights Plan will expire upon termination of the Meeting, unless the Amended and Restated Shareholder Right Plan is confirmed by the Shareholders in accordance with its provisions.

#### *Issuance of Rights*

One Right has been issued to the Shareholders of record as of the close of business on November 2, 2016 in respect of each of the outstanding Common Shares. One Right also will be issued in respect of each Common Share issued after November 2, 2016 and prior to the earlier of the Separation Time (as defined below) and the Expiration Time.

#### *Rights Exercise Privilege*

The Rights, subject to certain exceptions (including those described below), separate from the Common Shares and become exercisable ten trading days, or such other time determined by the Board (acting in good faith), (the “**Separation Time**”) after a Person (i) announces, subject to certain exceptions that it has acquired beneficial ownership of 20% or more of the voting shares of the Corporation or (ii) makes an offer to acquire 20% or more of the voting shares and/or convertible securities (including such securities already owned by such person) of the Corporation, other than by an acquisition pursuant to a take-over bid permitted by the Amended and Restated Shareholder Rights Plan (a “**Permitted Bid**”). The acquisition by any person (an “**Acquiring Person**”) of 20% or more of the Common Shares, other than by way of a Permitted Bid or a transaction otherwise permitted by the Amended and Restated Shareholder Rights Plan (including acquisitions by Catalyst), is referred to as a “Flip-in Event”. Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten trading days after the occurrence of the Flip-in Event, each Right (excluding Rights held by an Acquiring Person which have become void), will permit the holders thereof to purchase Common Shares at a 50% discount to their market price.

Catalyst (including any funds managed or administered by it or its affiliates), which owns approximately 33.3% of the Common Shares, has been grandfathered under the Rights Plan and the Amended and Restated Shareholder



Rights Plan. Under the terms of the Rights Plan and the Amended and Restated Shareholder Rights Plan, Catalyst is not restricted from acquiring additional Common Shares in any manner, and is therefore exempt from the operation of the plan.

#### *Trading of Rights*

Until the Separation Time, the Rights will be evidenced by the certificates representing the Common Shares and will be transferable only together with the associated Common Shares. After the Separation Time, separate certificates evidencing the Rights (Rights Certificates) will be mailed to holders of record of Common Shares (other than an Acquiring Person) as of the Separation Time. Rights will trade separately from the Common Shares after the Separation Time.

#### *Permitted Bid Requirements*

A Permitted Bid is a take-over bid that can be made outside of the application of the Amended and Restated Shareholder Rights Plan, provided it complies with the requirements of NI 62-104. However, a Permitted Bid excludes a creeping or exempt bid whereby a person could slowly accumulate Common Shares through stock exchange acquisitions, or acquire blocks of Common Shares through private agreements, which may result, over time, in an acquisition of control or effective control without paying a control premium or without sharing of any control premium among all Shareholders fairly.

The requirements for a Permitted Bid include the following:

- the take-over bid must be made by way of a take-over bid circular;
- the take-over bid must be made to all holders of Common Shares;
- the take-over bid must be outstanding for a minimum period of 105 days or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws;
- Common Shares tendered pursuant to the take-over bid may not be taken up prior to the expiry of the period and only if at such time more than 50 percent of the Common Shares held by Independent Shareholders and grandfathered persons have been tendered to the take-over bid and not withdrawn; and
- if more than 50 percent of the Common Shares held by Independent Shareholders and grandfathered persons are tendered to the take-over bid within the period and the Common Shares are taken up by the bidder, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for not less than 10 days from the date of such public announcement.

**"Independent Shareholders"** is defined in the Amended and Restated Shareholder Rights Plan as all holders of Common Shares, excluding any Acquiring Person, Catalyst (and any other grandfathered person), any person that is making or has announced a current intention to make a take-over bid for the Common Shares, affiliates, associates and persons acting jointly or in concert with such excluded persons, and any employee benefit, share purchase or deferred profit sharing plan, or trust for the benefit of employees of the Corporation (unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted).

The Amended and Restated Shareholder Rights Plan allows for a competing Permitted Bid (a **"Competing Permitted Bid"**) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid.

#### *Waiver*

The Board may, prior to the occurrence of a Flip-in Event resulting from a take-over bid that is made by a take-over bid circular to all holders of Common Shares, waive the application of the Amended and Restated Shareholder Rights Plan to a particular Flip-in Event. Where the Board exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for the Corporation made by a take-over bid circular to all holders of Common Shares prior to the expiry of any other bid for which the Amended and Restated Shareholder Rights Plan has been waived. The Board, in respect of any Flip-in Event, may waive the application of the Amended and Restated Shareholder Rights Plan to a particular Flip-in Event where the Board has determined that the Acquiring Person became an Acquiring Person by inadvertence and such person has reduced its beneficial ownership such that it is no longer an Acquiring Person. The Board may, with the prior consent of Shareholders (excluding Catalyst among others), determine, at any time prior to the occurrence of a Flip-in Event, to waive the application of the Amended and Restated Shareholder Rights Plan for any other Flip-in Event.

#### *Redemption*

The Board may, (i) with the prior consent of Independent Shareholders, at any time prior to the occurrence of a Flip-in Event, or (ii) following the termination of a Permitted Bid or a Competing Permitted Bid, redeem the Rights at



C\$0.00001 per Right. Rights will be deemed to have been redeemed by the Board following completion of a Permitted Bid or Competing Permitted Bid or certain other exempt acquisitions.

#### *Approval by Shareholders*

In order for the Rights Plan to be amended, continue in effect after the Meeting and be fully accepted by the TSX, the Rights Plan Resolution must be approved by both (i) a majority of the votes cast by Shareholders at the Meeting; and (ii) a majority of the votes cast by Independent Shareholders at the Meeting. If the Rights Plan Resolution is not approved at the Meeting, the Rights Plan will terminate on May 29, 2019 and the Corporation will no longer have any form of shareholder rights plan.

Accordingly, at the Meeting, **two separate votes** will be conducted by ballot to conform to the foregoing requirements as follows:

#### Resolution (i)

All Shareholders will be asked to consider, and, if deemed advisable, to pass with or without variation the Rights Plan Resolution set out below.

#### Resolution (ii)

All Shareholders that voted on the first resolution as set out above EXCEPT any Shareholder that does not qualify as an Independent Shareholder, as that term is defined in the Amended and Restated Shareholder Rights Plan, will be asked to consider, and, if deemed advisable, to pass with or without variation the Rights Plan Resolution set out below. To the knowledge of the Corporation, Catalyst is the only Shareholder that is not an Independent Shareholder. Accordingly, the 32,623,803 Common Shares beneficially owned or controlled by Catalyst will be excluded from such vote.

#### **“BE IT RESOLVED THAT:**

- (a) The Amended and Restated Shareholder Rights Plan Agreement entered into between the Corporation and Computershare Trust Company of Canada (“**Computershare**”), which amends and restates the Amended and Restated Shareholder Rights Plan Agreement dated November 2, 2016 between the Corporation and Computershare, on the terms described in the April 18, 2019 information circular of the Corporation (the “**Rights Plan**”), be and is hereby confirmed and approved;
- (b) The distribution and continued existence of the rights distributed pursuant to the Rights Plan, be and the same is hereby approved, ratified and confirmed;
- (c) Any director or officer of the Corporation be and is hereby authorized and directed for and on behalf and in the name of the Corporation to execute, deliver and file all such further documents, authorizations and instruments and to take any and all such further action as he or she may in his or her sole discretion determine to be necessary or desirable in connection with, or to carry out the provisions of, the foregoing resolutions, the execution of such documentation and the doing of such things to be conclusive evidence of such determination; and
- (d) The board of directors of the Corporation be and is hereby authorized, without further approval of or notice to the shareholders, to revoke this resolution at any time prior to the proposed effective date for such action.”

**The Board has concluded that the Amended and Restated Shareholder Rights Plan, is in the best interests of the Corporation and Shareholders. Accordingly, the Board unanimously recommends that the Shareholders ratify, confirm and approve the Amended and Restated Shareholder Rights Plan by voting FOR the Rights Plan Resolution at the Meeting. The management nominees named in the accompanying Proxy Form or VIF intend to vote FOR the Amended and Restated Shareholder Rights Plan, unless a Shareholder has specified in the Proxy Form or VIF that his, her or its Common Shares are to be voted otherwise.**

## STATEMENT OF EXECUTIVE COMPENSATION

### **Compensation Discussion and Analysis**

#### *Introduction*

The purpose of this compensation discussion and analysis is to provide information about the Corporation's compensation philosophy, objectives and processes and to discuss the compensation paid to the Corporation's CEO and CFO and each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO, who served as executive officers during the year ended December 31, 2018 whose total compensation during the most recent fiscal year exceeded C\$150,000 (collectively, the "**Named Executives**").

In accordance with the disclosure principles set forth in Form 51-102F6 – *Statement of Executive Compensation*, the information contained in this section reflects the executive compensation for the full 2018 fiscal year. Numbers may not add due to rounding.

#### *Named Executives*

For the year ended December 31, 2018, the Named Executives included: Richard Herbert, CEO; David Dyck, CFO; Barry Larrson, former CEO; Camilo McAllister, former CFO; Erik Lyngberg, Corporate Vice-President, Exploration; Duncan Nightingale, Corporate Vice-President, Operations, Development & Reservoir Management; and Renata Campagnaro, Corporate Vice-President, Supply, Transportation & Trading.

As of the date hereof, Messrs. McAllister and Larson have both resigned from their respective positions with the Corporation on March 9, 2018 and April 2, 2018 respectively.

#### *Compensation and Human Resources Committee*

The Compensation and Human Resources Committee is responsible for overseeing the Corporation's compensation program and executive compensation decisions. The Committee is currently comprised of Messrs. de Alba (Chair), Ford and Cabrales, all of whom are "independent" directors within the meaning of NI 58-101. Each member of the Compensation and Human Resources Committee has extensive sector experience. See "Corporate Governance - Position Descriptions and Other Board Committees" for a summary of the mandate of Compensation and Human Resources Committee.

The Compensation and Human Resources Committee seeks the advice of the CEO, CFO and the Director of Human Talent and confers with the Corporation's General Counsel on matters that fall within each of their respective areas of responsibility. The Compensation and Human Resources Committee continually monitors and assesses the Corporation's executive compensation program to ensure alignment with its compensation philosophy and the achievement of the Corporation's strategic objectives, as well as observance of compensation best practices.

#### *Risk Management*

The Corporation's compensation program seeks to align its strategic direction with the interests of its Shareholders by incorporating various risk-adjusted measures into its compensation program which are designed to mitigate any incentive for its employees, including Named Executives, to take or be rewarded for excessive or imprudent risks that could have a material adverse impact on the Corporation. In particular, the compensation program of the Corporation seeks to limit and mitigate compensation-related risk through a strategy which attempts to balance short-term goals (through the bonus program) with long-term performance objectives (through the issuance of share based awards pursuant to its Incentive Plan) as follows: Bonus plan payouts are capped based on a percentage of salary and are subject to maximum thresholds; RSUs vest over a three year period and the amount of RSUs that vest may increase or decrease based on corporate performance over the three year period; a score card is used to assess corporate performance based on objective indicators; and the weight attributed to corporate performance increases based on an employee's position within the organization.

The Corporation does not prohibit the Named Executives or the directors of the Corporation from engaging in hedging practices.

#### *Compensation Consultants*

The Compensation and Human Resources Committee relies on the knowledge and experience of the members of the Compensation and Human Resources Committee and the recommendations of the CEO (except for his own compensation) to set appropriate levels of compensation for the Named Executives. In addition, to gather information about competitive compensation practices, the Compensation and Human Resources Committee refers to data provided by broad-based executive compensation surveys. The Compensation and Human Resources Committee also obtains the advice and recommendations of independent compensation consultants as deemed appropriate.

The Corporation initially engaged Mercer Consulting (“**Mercer**”) in 2017 as its independent compensation consultant to advise the Corporation on a re-design of the Corporation’s executive and director compensation programs and also to provide advice regarding market competitiveness of the Corporation’s overall compensation structure. Mercer reports directly to the Compensation and Human Resources Committee on director and executive compensation matters. In 2017 and 2018, the Corporation engaged Korn Ferry Consultants (“**Korn Ferry**”) (formerly Hays Group/ Korn Ferry) to advise on compensation matters related to Peru. The following table sets forth the fees paid to the Corporation’s compensation consultants in 2017 and 2018:

Advisor	Year Ended December 31, 2017		Year Ended December 31, 2018	
	Executive Compensation-Related Fees (U.S.\$)	All Other Fees (U.S.\$)	Executive Compensation-Related Fees (U.S.\$)	All Other Fees (U.S.\$) <sup>(1)</sup>
Mercer	13,538	41,677 <sup>(1)</sup>	72,936 <sup>(3)</sup>	29,423
Korn Ferry	-	12,440 <sup>(1)</sup>	-	30,938
RPT <sup>(2)</sup>	-	11,730	-	-

Notes:

- (1) These fees were paid for services such as job evaluations, advising on job descriptions, salary curves and incentive and benefits studies for all employee levels and in all countries where the Corporation has operations.
- (2) RPT Consulting (“**RPT**”) was engaged in 2017 to conduct a comprehensive review of the Corporation’s benefits program in Colombia and Peru. RPT was not retained by the Corporation in 2018.
- (3) These include fees that were paid to Mercer in 2018 which relate to Mercer’s mandate in 2017 to conduct a comprehensive assessment of the Corporation’s Director and executive compensation structure.

#### *Peer Group*

It has been the Corporation’s policy that compensation should be, among other things, competitive with comparable organizations to enable the Corporation to attract and retain top-performing employees and executive officers. Because the Corporation is a Canadian company operating primarily in South America, the Corporation has looked mainly to other international resource companies for the purposes of such comparison. With respect to benchmark data for 2018, executive and director compensation was considered with regard to a peer group that primarily focused on medium to large-sized organizations in the oil and gas sector preferably domiciled in Canada and operating in South America (the “**Peer Group**”)

The Peer Group for director and executive compensation for 2018 included the following companies:

Amerisur Resources Plc	Enerplus Corporation
Arc Resources Ltd.	Gran Tierra Energy Inc.
Baytex Energy Corporation	Nuvista Energy Ltd.
Bellatrix Exploration Ltd.	Parex Resources Inc.
Birchcliff Energy Ltd.	Vermilion Energy Inc.
Bonavista Energy Corporation	Whitecap Resources Inc.

The Corporation has established a policy for the determination of compensation based on a target range between the 50<sup>th</sup> and 75<sup>th</sup> percentile of the compensation set out in the Peer Group surveys for Named Executives and other executive officers whose positions are considered key to the Corporation, and a target of the 50<sup>th</sup> percentile of the survey information for all other officers and employees.

In addition to Peer Group information, the Compensation and Human Resources Committee refers to general compensation reports and market analyses from various publicly available sources. This additional compensation information is primarily used for data comparison purposes so that the Compensation and Human Resources Committee can cross-reference and verify information provided to it and to ensure that the Compensation and Human Resources Committee is aware of general compensation and benefit trends and practices that may be arising outside of the Peer Group.

#### *Compensation Program*

When determining and evaluating compensation of a Named Executive, the Compensation and Human Resources Committee considers a number of factors, including the Named Executive’s experience, overall performance during the fiscal year, the Corporation’s performance relative to corporate objectives and business plans and the performance of other executive officers. In addition, the Compensation and Human Resources Committee considers third-party survey data and reviews the Corporation’s Peer Group compensation data, in order to ensure that the

Named Executive's compensation remains competitive and consistent with best practices/trends in human resources.

The overriding principles in establishing executive compensation provide that compensation should reflect:

- fair and competitive compensation commensurate with an individual's performance, experience and expertise in order to attract and retain highly qualified executives;
- recognition and encouragement of leadership, entrepreneurial spirit and team work;
- the Corporation's values;
- an alignment of the financial interests of the executives with the financial interests of the Shareholders;
- short-term and long-term incentives to reward individual performance and contribution to the achievement of corporate performance and objectives; and
- contribution to the enhancement of Shareholder value.

The salaries and benefits of the Named Executives are set within guidelines developed by the Compensation and Human Resources Committee and are consistent with the principles set out above. In 2018, the Corporation's executive compensation includes fixed and variable compensation comprised of the following elements:

- **Base salary;**
- **Short-term compensation incentives** (primarily bonuses) for annual corporate and personal performance;
- **Long-term compensation incentives** (primarily RSUs) related to long-term increase in share value; and
- **Benefits and perquisites.**

The Corporation does not currently have a formal or informal policy or target for allocating compensation between short-term and long-term compensation, between cash and non-cash compensation or among the different forms of non-cash compensation. Although there is no specific pre-established policy or target, the pay mix is largely dictated by competitive market practice combined with a philosophy of calibrating incentive levels to performance results. The Compensation and Human Resources Committee determines on a case-by-case basis the appropriate level and mix of the various compensation components based on review of their judgment and experience, compensation information and market trends provided by Mercer and recommendations of the CEO (except for his own compensation) to provide a total compensation structure that is designed to motivate Named Executives to achieve the business goals set by the Corporation and reward the Corporation's executives when they achieve these goals.

#### *Base Salary*

Base salary represents a key component of a Named Executive's compensation package as it is the first step in ensuring a competitive structure.

Base salaries are determined based on a number of factors, including the Named Executive's personal performance and experience, contribution to the business of the Corporation and the size and stage of development of the Corporation. Base salaries are reviewed from time to time to ensure comparability with industry practices. The Corporation hires qualified management from around the world and therefore looks to compensation paid by its Canadian, Colombian and other international peers to ensure its base salary remains competitive.

#### *Short-Term Compensation Incentives*

The Corporation has an annual bonus program which is paid as a lump sum. Bonuses reward individual and corporate performance during the previous calendar year and are calculated based on a percentage of base salary with corporate performance and individual performance weighting allocated based on the employees' position within the organization. In 2018, the Compensation and Human Resources Committee used a scorecard that sets targets to evaluate corporate performance based on the following five categories: Health, Safety & Environmental Performance; Reserves Replacement; Operational Performance; Financial Strength; and Strategic Milestones.

The maximum bonus target for the Named Executives (excluding the CEO and CFO) for 2018 was five (5) months of base salary, subject to a possible increase based upon exceptional personal and corporate performance. The bonus targets for the CEO and CFO for 2018 were twelve (12) months of annual base salary and six (6) months of annual base salary respectively.

Weighting for all Named Executives in 2018 was 80% weight on corporate performance and 20% weight on individual performance.

### *Long-Term Compensation Incentives*

Long-term compensation incentives are granted by the Compensation and Human Resources Committee in order to attract and retain high quality executives in a competitive market environment. The long-term compensation incentive for Named Executives is through the issuance of RSUs pursuant to the Incentive Plan.

In 2018, the number of RSUs granted to each employee was based on the employees' position within the organization and individual performance during the prior year. Vesting of RSUs under the Incentive Plan is, in part, dependent upon the Corporation's financial and operating performance and Shareholder return during a three-year period and may result in RSUs vesting and settling at higher or lower amounts than the number of RSUs originally granted to a participant. The RSUs were issued to employees (including Named Executives) on April 19, 2018 and vest on April 19, 2021.

### *Benefits and Perquisites*

The Named Executives are eligible to participate in the same benefits as offered to all full-time employees. This includes participation in a traditional employee benefit plan including health and dental care and various forms of life and disability insurances.

In addition, certain Named Executives are eligible to receive (but may opt not to take) the following enhanced perquisites and benefits, which are not otherwise available to other employees:

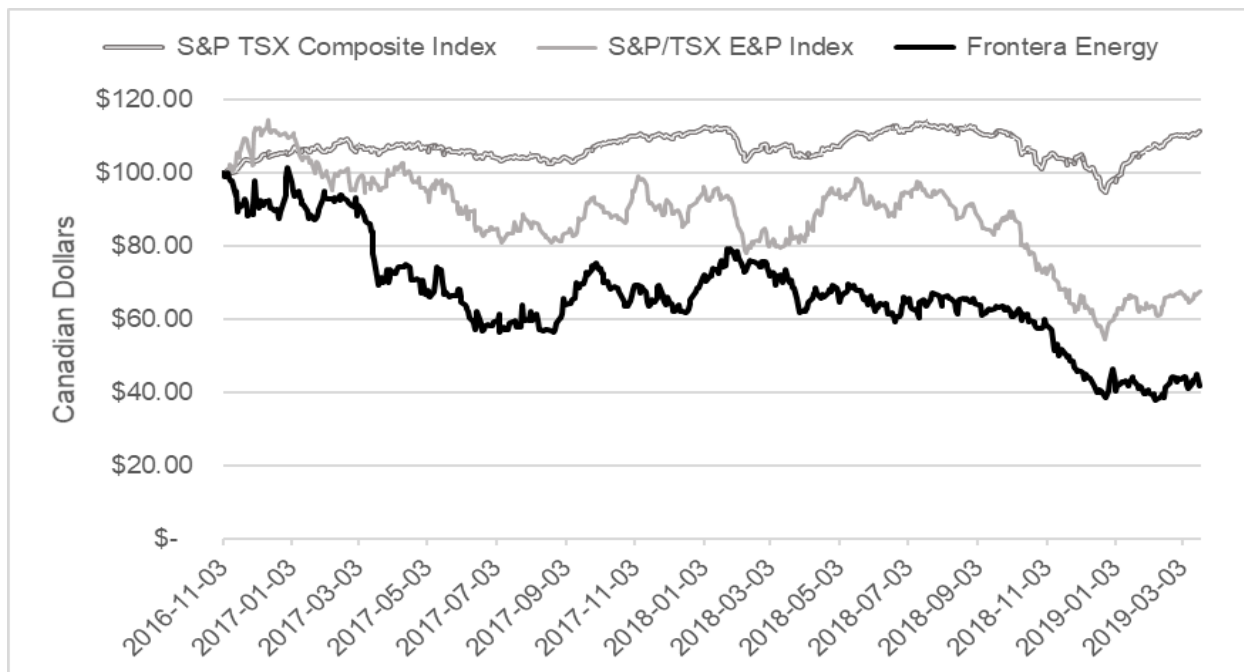
- The complete reimbursement of any moving expenses incurred in connection with work-related moves or moves at the request of the Corporation;
- Reimbursement of education expenses (up to and including the secondary level) for children of a Named Executive educated in Colombia. If the reimbursement was used to cover expenses outside of Colombia, the maximum monthly amount reimbursed per child was U.S.\$2,000;
- A housing allowance and utilities reimbursement of up to U.S.\$90,000 per year, should a Named Executive be an expatriate;
- An additional business day of vacation for each year of service (for Colombian employees) with the Corporation up to a maximum of 10 additional business days.
- International health insurance for the Named Executive and his or her primary family group if the Named Executive is an expatriate;
- 100% coverage of the cost of one medical examination per year by a recognized medical institution in Colombia, Peru or Canada depending on the Named Executive's location and jurisdiction.

The Corporation does not view these benefits as a significant element of its compensation structure, as they constitute only a small percentage of total compensation, but does believe that perquisites and benefits should be used in conjunction with base salary to attract, motivate and retain individuals in a competitive environment.

The Board is of the view that the base salaries and incentives paid to the Named Executives must be reasonable but also competitive with its Peer Group. The number of persons skilled in the acquisition, exploration, development and operation of oil and gas properties in the jurisdictions in which the Corporation operates is limited and competition for such persons is intense. The Compensation and Human Resources Committee will continue to evaluate the compensation strategy with respect to the Named Executives and in particular the appropriateness of long-term compensation incentives, including by way of awards under the Incentive Plan.

### **Performance Graph**

The Common Shares are listed on the TSX under the trading symbol "FEC". The following graph shows the total cumulative shareholder return for C\$100 invested in Common Shares for the period commencing after the Corporation re-listed on the TSX on November 3, 2016 and ending on December 31, 2018. The Corporation's total shareholder return is compared with the cumulative total return of the S&P/TSX Composite and the S&P/TSX Oil and Gas Exploration and Production indices for the same period. The graph assumes that all dividends are reinvested when paid, and that reinvested dividends are compounded annually.



The table below shows the percentage change in the Corporation's cumulative shareholder return commencing on November 3, 2016 (the date the Common Shares were re-listed on the TSX) and ending December 31, 2018, based upon a \$100 investment made on November 3, 2016 in Common Shares.

	November 3, 2016 (C\$)	December 30, 2016 (C\$)	December 29, 2017 (C\$)	December 31, 2018 (C\$)	Average Annual Return(%)
Frontera Energy Corporation	100.00	101.26	68.28	46.14	- 30.1%
S&P/TSX Composite	100.00	104.83	111.15	98.21	- 0.8%
S&P/TSX E&P	100.00	109.28	92.41	59.54	- 21.4%

The Corporation aims to align executive compensation with Shareholder value. A significant portion of the Named Executive's total compensation is in the form of RSUs granted pursuant to the Incentive Plan. As a result, total compensation for a Named Executive is affected by the increases or decreases in the price of Common Shares and the actual payout value of the award can vary from the value reported in the Summary Compensation Table below, thereby promoting alignment of the interests of Named Executives and Shareholders.

### Summary Compensation Table

The following table sets forth information concerning the compensation paid to the current employees of the Corporation that were Named Executives in 2018:

Name and Principal Position	Year	Salary <sup>(1)</sup> (C\$)	Share-Based Awards (RSUs) <sup>(2)</sup> (C\$)	Annual Non-Equity Incentive Plan Compensation <sup>(1)(3)</sup> (C\$)	All other Compensation <sup>(1)(4)(5)(6)</sup> (C\$)	Total Compensation <sup>(1)</sup> (C\$)
Richard Herbert Chief Executive Officer	2018	582,605	932,981 <sup>(7)</sup>	-	171,255 <sup>(8)</sup>	1,686,841
	2017	-	7,953	-	7,953	15,906
	2016	-	-	-	-	-
David Dyck Chief Financial Officer	2018	410,210	644,368	-	105,575	1,160,153
	2017	-	-	-	-	-
	2016	-	-	-	-	-
Erik Lyngberg	2018	460,000	342,000	159,542	87,569	1,049,111

Name and Principal Position	Year	Salary <sup>(1)</sup> (C\$)	Share-Based Awards (RSUs) <sup>(2)</sup> (C\$)	Annual Non-Equity Incentive Plan Compensation <sup>(1)(3)</sup> (C\$)	All other Compensation <sup>(1)(4)(5)(6)</sup> (C\$)	Total Compensation <sup>(1)</sup> (C\$)
Corporate Vice-President, Exploration	2017	441,758	353,656	-	61,379	856,793
	2016	347,616	-	-	111,729	459,345
Duncan Nightingale Corporate Vice-President, Operations, Development & Reservoir Management	2018	420,205	427,500	71,065	144,547	1,063,317
	2017	199,736	353,656	-	67,714	621,106
Renata Campagnaro Corporate Vice-President, Supply, Transportation & Trading	2016	-	-	-	-	-
	2018	423,204	393,300	143,619	85,418	1,045,541
	2017	406,115	353,656	-	71,025	830,796
	2016	402,704	-	72,468	1,035,216	1,510,388 <sup>(9)</sup>
Barry Larson <sup>(10)</sup> Chief Executive Officer	2018	247,990	-	750,000	877,400	1,875,390
	2017	638,068	1,212,545	-	177,726	2,028,339
	2016	-	-	-	-	-
	2018	89,923	-	162,152	718,533	970,608
Camilo McAllister <sup>(11)</sup> Chief Financial Officer	2017	470,438	424,387	125,450	78,959	1,099,234
	2016	42,604	-	-	-	42,604

Notes:

- (1) All amounts paid in U.S.\$ have been converted to C\$ using the closing exchange rate on December 31, 2018 as reported by the Bank of Canada of U.S.\$1.00 for every C\$1.3642 and C\$1.00 for every COP\$2,382.17.
- (2) The grant date fair value of the RSUs have been calculated using the Monte Carlo simulated option pricing model and in accordance with International Financial Reporting Standards 2- Share Based Payments. The Corporation used a unit fair value based on the TSX closing price of the Common Shares on the issue date of: (i) C\$17.68 for the 2017 RSU grant on August 8, 2017; (ii) C\$19.00 for the 2018 RSU grant on April 19, 2018 for all Named Executives except the CEO and CFO; and (iii) C\$18.42 for the 2018 RSU grant to the CEO and CFO which were awarded on April 2, 2018, the effective date of their appointment.
- (3) Includes the dollar value of all cash bonuses paid in respect of services performed in the prior year.
- (4) Includes all perquisites, life insurance premiums and severance paid by the Corporation.
- (5) Includes the Corporation's contribution to the employee savings plan during the year for Mr. Dyck, Mr. Nightingale, Ms. Campagnaro and Mr. McAllister.
- (6) During the year ended 2018, the following perquisites comprised more than 25% of the Named Executives total perquisites: Mr. Herbert, Mr. Dyck and Mr. Nightingale each received housing allowances in the amount of C\$82,944, C\$70,246 and C\$109,573 respectively; Mr. Larson received a housing allowance in the amount of C\$63,428, and vacation pay in lieu in the amount of C\$41,964; Mr. McAllister received vacation pay in lieu in the amount of C\$25,063; Ms. Campagnaro received contributions to her savings plan in the amount of C\$29,620 and Health, Life and Accidental Death & Dismemberment benefits in the amount of C\$25,189; and Mr. Lyngberg received vacation pay in lieu in the amount of C\$32,731, Health, Life and Accidental Death & Dismemberment benefits in the amount of C\$24,928 and international Insurance in the amount of C\$24,510.
- (7) Includes portion of annual director fees paid to Mr. Herbert in DSUs - See "Statement of Executive Compensation - Summary of Director Compensation". Mr. Herbert resigned from the Board in connection with his appointment as CEO of the Corporation, effective April 2, 2018.
- (8) Includes portion of annual director retainer paid to Mr. Herbert in cash - See "Statement of Executive Compensation - Summary of Director Compensation". Mr. Herbert resigned from the Board in connection with his appointment as CEO of the Corporation, effective April 2, 2018.
- (9) Includes the following payments made in connection with the Corporation's 2016 restructuring transaction: (i) a key employee retention plan payment, whereby certain officers and employees were granted a cash incentive of between 25% to 100% of their annual base salary in exchange for committing to continue their employment with the Corporation until the closing of such transaction; and (ii) a severance payment made to certain key employees.
- (10) Barry Larson resigned as Chief Executive Officer, effective April 2, 2018.
- (11) Camilo McAllister resigned as CFO, effective March 9, 2018.

## Incentive Plan Awards

### RSU Awards

In 2018, there were 145,568 RSUs issued to the Named Executives. The following table sets forth information on all RSUs outstanding as of December 31, 2018:

Name and Principal Position	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (C\$) <sup>(1) (2)(3)</sup>	Market or payout value of vested share-based awards not paid out or distributed (C\$) <sup>(4)</sup>
<b>Richard Herbert<sup>(5)</sup></b> Chief Executive Officer	49,386	660,785	
<b>David Dyck</b> Chief Financial Officer	34,982	468,059	-
<b>Erik Lyngberg</b> Corporate Vice-President, Exploration	31,333	419,240	89,200
<b>Duncan Nightingale</b> Corporate Vice-President, Operations, Development & Reservoir Management	35,833	479,450	89,200
<b>Renata Campagnaro</b> Corporate Vice-President, Supply, Transportation & Trading	34,033	455,366	89,200
<b>Barry Larson<sup>(6)</sup></b> Chief Executive Officer	-	-	-
<b>Camilo McAllister<sup>(7)</sup></b> Chief Financial Officer	-	-	-

Notes:

- (1) The RSUs issued on August 8, 2017, vest in three equal tranches on August 8, 2018, August 8, 2019 and August 8, 2020, respectively. The number of RSUs that will ultimately vest is determined by the performance adjustment factor applicable for each tranche of the issuance and may result in RSUs vesting and settling at higher or lower amounts than the number of RSUs originally granted to a participant, capped at a maximum of 30% above the issued amount. The Compensation and Human Resources Committee approved the issuance of an additional 228,532 RSUs (reflecting the 30% cap amount described above), which are subject to exceptional business performance as determined by such committee in its sole discretion.
- (2) The RSUs issued on April 19, 2018, vest on April 19, 2021. The number of RSUs that will ultimately vest is determined by the performance adjustment factor applicable for each year from the date of the issuance and may result in RSUs vesting and settling at higher or lower amounts than the number of RSUs originally granted to a participant, capped at a maximum of 50% above the issued amount. The Compensation and Human Resources Committee approved the issuance of an additional 392,694 RSUs (reflecting the 50% cap amount described above), which are subject to exceptional business performance as determined by such committee in its sole discretion.
- (3) Based on multiplying the TSX closing price of the Common Shares as at December 31, 2018 (C\$13.38) by the number of RSUs that have not vested as at December 31, 2018.
- (4) Based on multiplying the TSX closing price of the Common Shares as at December 31, 2018 (C\$13.38) by the number of RSUs that have vested but have not been exercised as at December 31, 2018.
- (5) Mr. Herbert also received DSUs in his capacity as director. Mr. Herbert resigned as director prior to be appointed CEO. Please refer to the table "Incentive Plan Awards to Directors" for information on DSUs.
- (6) Mr. Larson resigned as Chief Executive Officer, effective April 2, 2018. 68,572 RSUs stated on an adjusted post-split basis were settled in cash for an amount equal to C\$1,343,113 using the share price of C\$19.5869 for the Common Shares being the volume weighted average of the prices at which the Common Shares traded on the TSX for the five trading days immediately preceding the date of settlement.
- (7) Mr. McAllister resigned as Chief Financial Officer, effective March 9, 2018. 4,688 RSUs were settled in cash for an amount equal to C\$95,888 using the share price of C\$20.4539 for the Common Shares being the volume weighted average of the prices at which the Common Shares traded on the TSX for the five trading days immediately preceding the date of settlement.

The following table sets forth for each Named Executive the value of share-based awards (RSUs) that vested in 2018 and the value of non-equity plan compensation (bonus) earned in 2018.

Name and Principal Position	Share-based awards – Value vested during the year (C\$) <sup>(1)</sup>	Non-Equity incentive plan compensation – Value earned during the year (C\$) <sup>(2)(3)</sup>
<b>Richard Herbert<sup>(4)</sup></b> Chief Executive Officer	-	581,000



Name and Principal Position	Share-based awards – Value vested during the year (C\$) <sup>(1)</sup>	Non-Equity incentive plan compensation – Value earned during the year (C\$) <sup>(2)(3)</sup>
<b>David Dyck</b> Chief Financial Officer	-	173,841
<b>Erik Lyngberg</b> Corporate Vice-President, Exploration	127,054	142,982
<b>Duncan Nightingale</b> Corporate Vice-President, Operations, Development & Reservoir Management	127,054	178,689
<b>Renata Campagnaro</b> Corporate Vice-President, Supply, Transportation & Trading	127,054	176,587
<b>Barry Larson</b> Chief Executive Officer	-	-
<b>Camilo McAllister</b> Chief Financial Officer	-	-

Notes:

- (1) Based on multiplying the TSX closing price for the Common Shares on August 8, 2018 (C\$19.06) by the number of RSUs that vested on that date. The 2017 RSUs are expected to settle after August 2020.
- (2) Incentive Bonuses for 2018 were paid in April 2019.
- (3) Mr. Nightingale and Ms. Campagnaro's non-equity incentive plan compensation is paid in Colombian Peso's and was converted to Canadian dollars using C\$1.00 for every COP\$2,250.00.
- (4) See "Statement of Executive Compensation – Incentive Plan Awards – Directors." for information about the vesting of DSUs granted to Mr. Herbert.

*Option-based awards*

As at December 31, 2018, there were no outstanding option-based awards issued to the Named Executives or any other employee.

*Description of the Incentive Plan*

The Corporation has a security-based compensation plan (the "**Incentive Plan**") which was approved and implemented on November 2, 2016 and amended on March 14, 2017. The purpose of the Incentive Plan is to promote the Corporation's interests and long-term success by providing directors, officers and employees of the Corporation and its affiliates with greater incentive to further develop and promote the Corporation's business and financial success and to assist the Corporation in attracting, retaining and motivating individuals to become directors, officers and employees of the Corporation or its affiliates.

Below is a summary of the key terms of the Incentive Plan.

*Administration.* Under the Incentive Plan, the Board may, at any time, appoint a committee to, among other things, interpret, administer and implement the Incentive Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the Incentive Plan. As of the date hereof, the Board has appointed the Compensation and Human Resources Committee to administer and implement the Incentive Plan.

*Eligible Persons.* Under the Incentive Plan, Awards (as defined below) may be granted to any director or any officer or employee of the Corporation or an affiliate (an "**Eligible Person**") provided that: (i) a director will only be an Eligible Person with respect to an Award of Deferred Stock Units ("**DSUs**") or Restricted Stock Units ("**RSUs**"); and (ii) a Participant, other than a Director, will not be an Eligible Person with respect to DSUs. A "**Participant**" is an Eligible Person to whom an Award has been granted under the Incentive Plan.

*Number of Securities Issued or Issuable.* Subject to the adjustment provisions provided for in the Incentive Plan and the applicable rules and regulations of all regulatory authorities to which the Corporation is subject (including the TSX), the aggregate number of Common Shares reserved for issuance in respect of which Awards may be granted to all Participants shall not exceed 5,000,300, which number will include treasury Common Shares subject to an Award (or any portion thereof) that is settled in cash in lieu of settlement in Common Shares. Common Shares subject to any Award (or any portion thereof) that have expired or are forfeited, surrendered, cancelled or otherwise terminated prior to the issuance or transfer of such Common Shares will again be available for grant under the Incentive Plan.

*Issuance of Awards.* The Incentive Plan allows for the issuance of stock options, RSUs and DSUs (collectively, the “**Awards**”). When considering the grant of new Awards under the Incentive Plan, Awards previously granted are not taken into consideration. Each Award is briefly described below:

Stock Options — Stock options allow holders to receive Common Shares at a future date. Stock options are granted with vesting conditions (typically based on continued service or achievement of personal or corporate objectives) for a term of not more than ten (10) years. Each vested stock option may be exercised to acquire a Common Share. The exercise price per Common Share for stock options is fixed by the Compensation and Human Resources Committee but under no circumstances can the exercise price at the time of grant be less than the fair market value (as defined in the Incentive Plan) of the Common Shares. Vesting of stock options is determined by the Compensation and Human Resources Committee in its sole discretion and specified in the Award agreement pursuant to which the stock option is granted. Directors are not entitled to receive stock options.

Restricted Stock Units — RSUs entitle the holder to receive Common Shares (or the cash equivalent) at a future date. RSUs are granted with vesting conditions (typically based on continued service or achievement of personal or corporate objectives) and settled upon vesting by delivery of Common Shares (or the cash equivalent). The value of the RSU increases or decreases as the price of the Common Shares increases or decreases, thereby promoting alignment of the interests of the RSU holders with Shareholders. Settlement may be made, in the sole discretion of the Compensation and Human Resources Committee, in Common Shares, cash or a combination thereof. Vesting of RSUs is determined by the Compensation and Human Resources Committee in its sole discretion and specified in the Award agreement pursuant to which the RSU is granted. If and when the Corporation declares a dividend, a dividend equivalent payment will be awarded in respect of RSUs held by a participant on the same basis as dividends declared and paid on Common Shares as if the participant was a shareholder of record on the relevant record date.

Deferred Stock Units — DSUs represent a future right to receive Common Shares (or the cash equivalent) at the time of the holder's retirement, death, or the holder otherwise ceasing to provide services to the Corporation, allowing the Corporation to pay compensation to holders of DSUs on a deferred basis. Each DSU awarded by the Corporation is initially equal to the fair market value of a Common Share at the time the DSU is awarded. The value of the DSU increases or decreases as the price of the Common Shares increases or decreases, thereby promoting alignment of the interests of the DSU holders with Shareholders. Settlement may be made, in the sole discretion of the Compensation and Human Resources Committee, in Common Shares, cash or a combination thereof. Only directors are entitled to receive DSUs. If and when the Corporation declares a dividend, a dividend equivalent payment will be awarded in respect of DSUs held by a participant on the same basis as dividends declared and paid on Common Shares as if the participant was a shareholder of record on the relevant record date.

*Insider Participation Limit.* If and for so long as the Common Shares are listed on the TSX, the number of Common Shares issuable, at any time, to Participants that are insiders, and issued, within any one year period, to Participants that are insiders, (or when combined with all of the Corporation's other security-based compensation arrangements) will not, in aggregate, exceed 10% of the total number of outstanding Common Shares. For the purposes of the foregoing, the term “insider” means those who are “reporting insiders” of the Corporation as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* of the Canadian Securities Administrators.

*Adjustment of Exercise/Settlement during Blackout Periods.* Further to the Corporation's insider trading policy, officers, directors and employees may be prohibited from trading in the Corporation's securities for an interval of time, or a “**Blackout Period**”. As Blackout Periods are of varying length and may occur at unpredictable times, Awards may expire or settle during a Blackout Period. As a result, the Incentive Plan provides that: (i) where the expiry date of a stock option occurs during or within ten non-blackout trading days following the end of a Blackout Period, the expiry date for such stock option will be the date which is ten non-blackout trading days following the end of such Blackout Period; and (ii) where the date for the settlement of RSUs or the payment of a settlement amount in the case of a DSU occurs during a Blackout Period, the Corporation will make such settlement or pay such settlement amount to the holder of such an Award within ten non-blackout trading days following the end of such Blackout Period and in any event no later than December 31st of the third calendar year following the year of service to which the RSU Award relates. In accordance with the Corporation's corporate governance initiatives and applicable securities laws, no DSUs, RSUs or stock options are granted during a Blackout Period.

*Vesting of Restrictions.* Stock options and RSUs granted to Eligible Persons will vest in stages over a period of not less than three years following the date of grant with no more than one-third ( $\frac{1}{3}$ ) of the stock options or RSUs vesting in any annual period. Subject to the foregoing, vesting will be determined by the Compensation and Human Resources Committee. Except as determined from time to time by the Compensation and Human Resources Committee, all stock options and RSUs will cease to vest as at the date upon which the Participant ceases to be an Eligible Person.

*Terms of Options.* Subject to the Blackout Period provisions described above, each stock option will expire on the date determined by the Compensation and Human Resources Committee and specified in the Award agreement pursuant to which such stock option was issued, which date will not be later than the tenth anniversary of the date of grant, or such earlier date as may be required by applicable law, rules or regulations, including those of any exchange or market on which the Common Shares are listed or traded. If a Participant's status as an officer or employee terminates for any reason other than death or termination for cause, the stock option will expire on the date specified by the Compensation and Human Resources Committee and in the absence of such specification, will be deemed to expire on the date that is 90 days following the termination of the Participant's service with the Corporation. In the event of the death of a Participant, the stock option will expire on the date which is one year after the date of death of such Participant. In the event of the termination of the Participant as an officer or employee of the Corporation or an Affiliate for cause, the stock option will expire on the date of such termination.

*Transferability.* Awards granted under the Incentive Plan are not transferable or assignable and may be exercised only by the Participant, subject to exceptions in the event of the death or legal incapacity of the grantee.

*Procedure for Amending.* Subject to terms of the Incentive Plan and any applicable requirements of the stock exchange on which the Common Shares are listed for trading, the Compensation and Human Resources Committee or the Board, as applicable, has the right, at any time, to suspend, amend or terminate the Incentive Plan and to amend any Award agreement, including, without limitation, making the following amendments to the Incentive Plan and any Award agreement: (i) amendments of a "housekeeping" or ministerial nature including any amendment for the purpose of curing any ambiguity, error or omission in the Incentive Plan; (ii) amendments to reflect any requirements of, or to comply with, any regulatory authorities to which the Corporation is subject; (iii) such changes as may be required to comply with applicable provisions of the *Income Tax Act* (Canada) or the U.S. Internal Revenue Code or to enable Awards to qualify for favourable treatment under such or other applicable taxation laws; and (iv) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law. Notwithstanding the foregoing, the Compensation and Human Resources Committee or the Board, as applicable, will not have the right, without Shareholder approval, to amend the Incentive Plan or any Award to: (i) increase the number of Common Shares issuable under the Incentive Plan; (ii) amend the amendment provisions of the Incentive Plan; (iii) remove or exceed the "insider participation limit" set out in the Incentive Plan; or (iv) extend the term of any Award held by an insider of the Corporation beyond its original expiry date or reduce the exercise price or other purchase price benefiting an insider of the Corporation, except as otherwise permitted by the Incentive Plan.

## **Termination and Change of Control Benefits and Payments**

Each Named Executive has an employment agreement that outlines base salary and other elements of total compensation which is put into place when the individual becomes an officer (the "**Employment Agreements**").

The Employment Agreements for each of Messrs. Herbert, Dyck and Lyngberg provide for termination payments in the event that the Named Executive is terminated without cause (meaning termination of a Named Executive's employment by the Corporation for reasons other than just cause, mutual agreement, permanent disability (subject to applicable human rights legislation) or death of the Named Executive).

The Employment Agreements of each of the Named Executives provide for termination payments in the event of a Change of Control (defined below) provided that within one (1) year following a Change of Control either (i) a Named Executive's employment is terminated by the Corporation without cause, or (ii) a Named Executive terminates his employment as a result of any material change to the fundamental terms of his or her employment which amounts to constructive dismissal at common law.

Upon a Change of Control (in the case of all Named Executives) or termination without cause (in the case of the CEO and CFO) all RSUs issued under the Corporation's Incentive Plan in 2018 will become fully vested. Upon vesting, it is at the Compensation and Human Resources Committee's discretion to settle all RSUs, in cash or in shares. The Compensation and Human Resources Committee has discretion on how the 2017 RSUs are treated.

In addition to the other entitlements, in the event of termination or Change of Control the CEO and CFO are also entitled to a bonus equal to up to 50% (in the case of the CEO) and up to 25% (in the case of the CFO) of their maximum annual bonus target, calculated on a pro-rated basis up until the last day worked, with bonus considered to be earned for a quarter if that quarter has commenced.

A Change of Control is defined as: the occurrence of any of the following: (a) Any person, partnership, entity or group, however composed, acquires direct or indirect, actual or de facto control of the Corporation; (b) There is an acquisition of 30% or more of the shares of the Corporation having the entitlement to vote in the election of the directors of the Corporation; (c) The Corporation enters into an amalgamation, arrangement, restructuring, reorganization, merger or consolidation, the effect of which is that any person, partnership, entity or group, acquires direct or indirect, actual or de facto control of the Corporation; (d) The shareholders of the Corporation approve the

liquidation, winding up or other dissolution of the Corporation; or (e) The shareholders of the Corporation approve the sale, lease or other disposition of all or substantially all of the assets of the Corporation.

The following table sets out estimates of the incremental amounts payable to the Named Executives upon identified termination events, assuming each such event took place on the last business day of fiscal year 2018.

Name and Principal Position	Termination Without Cause(C\$) <sup>(1)</sup>	Change of Control Event(C\$) <sup>(1)(2)</sup>
<b>Richard Herbert</b> Chief Executive Officer	1,866,780 <sup>(4)</sup>	1,866,780 <sup>(4)</sup>
<b>David Dyck</b> Chief Financial Officer	1,239,454 <sup>(6)</sup>	1,239,454 <sup>(6)</sup>
<b>Erik Lyngberg</b> Corporate Vice-President, Exploration	484,924 <sup>(7)</sup>	725,764 <sup>(9)</sup>
<b>Duncan Nightingale</b> Corporate Vice-President, Operations, Development & Reservoir Management	24,813 <sup>(8)</sup>	764,206 <sup>(9)</sup>
<b>Renata Campagnaro</b> Corporate Vice-President, Supply, Transportation & Trading	29,656 <sup>(8)</sup>	758,356 <sup>(9)</sup>
<b>Barry Larson</b> <sup>(3)</sup> Chief Executive Officer	N/A	N/A
<b>Camilo McAllister</b> <sup>(5)</sup> Chief Financial Officer	N/A	N/A

Notes:

- (1) All amounts paid in U.S.\$ have been converted to C\$ using the closing exchange rate on December 31, 2018 as reported by the Bank of Canada of U.S.\$1.00 for every C\$1.3642 and C\$1.00 for every COP\$2,382.17.
- (2) In the event of a Change of Control, one of the following must occur within one year in order for the Named Executive to be entitled to payment: (i) a Named Executive's employment is terminated by the Corporation without cause, or (ii) a Named Executive terminates his employment as a result of any material change to the fundamental terms of his or her employment which amounts to constructive dismissal at common law.
- (3) Mr. Larson resigned as Chief Executive Officer, effective April 2, 2018.
- (4) Includes: (i) a bonus payment equal to 50% of Mr. Herbert's annual base salary; (ii) termination payment equal to one years' salary and benefits; and (iii) the full base amount of all RSUs granted (assuming immediate vesting and settlement in cash based on the TSX closing price for the Common Shares of C\$13.38 on December 31, 2018).
- (5) Mr. McAllister resigned as Chief Financial Officer, effective March 9, 2018.
- (6) Includes: (i) a bonus payment equal to 25% of 6 months of Mr. Dyck's annual base salary; (ii) termination payment equal to one years' salary and benefits; and (iii) the full base amount of all RSUs granted (assuming immediate vesting and settlement in cash based on the TSX closing price for the Common Shares of C\$13.38 on December 31, 2018).
- (7) Includes termination payment equal to one years' salary and benefits.
- (8) Includes termination payment required under Colombian laws.
- (9) Includes: (i) termination payment equal to one years' salary and benefits; and (ii) the full base amount of all RSUs granted (assuming immediate vesting and settlement in cash based on the TSX closing price for the Common Shares of C\$13.38 on December 31, 2018).

### Executive Officer Share Ownership Guidelines

The Corporation has adopted share ownership guidelines for the CEO, CFO and all Vice-Presidents, which are intended to align the long-term interests of the Corporation's senior executives with those of the Corporation's shareholders.

The ownership guidelines for each of the CEO and CFO is 3 times their base salary. The share ownership guidelines for each Vice-President is 1.5 times their base salary. The target holding is based upon the executive's then current base salary. The determination of whether the individual meets the guidelines will be made in January of each year, effective as at close of business December 31 of the prior year and will be based on the volume weighted average closing price of the Corporation's shares on the TSX for the 20 trading days preceding and including the last trading day of that prior calendar year.

The share ownership guidelines are expected to be satisfied by each executive within six (6) years after first becoming subject to ownership guidelines or after the date of appointment to his or her position. The list of Vice-Presidents who are subject to the guidelines currently includes: Corporate Vice-President Operations, Development & Reservoir Management; Corporate Vice-President Supply, Transport and Trading; Corporate Vice-President Exploration; Vice-President Strategy & Planning; Vice-President, Capital Markets and Vice-President Legal. The guidelines do not apply to the General Counsel at this time given that the incumbent is engaged in a fixed term 3-year term contract.

## Director Compensation

### *Current Compensation Philosophy and Approach*

The compensation of directors is intended to attract highly qualified individuals with the capability to meet the demanding responsibilities of board members and to closely align directors' interests with Shareholder interests. To advance this goal, the current Board receives a fixed annual retainer and has adopted a policy that no less than 50% percent of each director's annual retainer is to be paid in the form of DSUs. The annual retainer is paid to directors on a quarterly basis in advance of the commencement of each quarter. During the fiscal year ending December 31, 2018, directors received annual retainers and were granted DSUs on January 15, 2018, April 16, 2018, July 16, 2018 and October 15, 2018. DSUs are settled in Common Shares or cash or a combination thereof in accordance with the Incentive Plan, after the director ceases to be director of the Corporation. See "Statement of Executive Compensation – Incentive Plan Awards – Description of Incentive Plan."

The Compensation and Human Resources Committee reviews Board compensation levels annually to ensure the Corporation's approach to Board compensation is competitive and reflects best practices taking into account current governance trends.

The table below sets out the current directors' compensation program.

Annual Retainer	Amount (U.S.\$)
Board Member Annual Retainer	150,000
Chairman of the Board Annual Retainer	30,000
Annual Retainer Per Committee	10,000
Chairman of the Audit Committee Annual Retainer	25,000
Chairman of the Corporate Governance Committee Annual Retainer	20,000
Chairman of the Compensation and Human Resources Committee Annual Retainer	20,000

Directors are reimbursed for travel expenses incurred for travel to attend Board, committee or orientation meetings. Directors are not eligible to receive stock options, pensions, non-equity incentives, benefits or perquisites from the Corporation.

### *Director Share Ownership Guidelines*

The Compensation and Human Resources Committee has decided not to impose a share ownership requirement on directors due to the fact that at least 50% of a director's annual retainer is to be paid in DSUs. With all directors holding DSUs until he or she ceases to be a director, the objective of aligning director interests with Shareholder interests is achieved without the need for ownership guidelines.

For the fiscal year ending December 31, 2018 Messrs. De Alba, Alarcon and Armstrong elected to receive 100% of their retainer compensation in DSUs, Mr. Ford elected to receiving 80% of his annual retainer compensation in DSUs and all other directors elected to receive 50% of their annual retainer compensation in DSUs.

### **Summary of Director Compensation in 2018**

The following compensation table sets out the compensation paid to the Board during the fiscal year ending December 31, 2018:

Name	Fees earned (C\$) <sup>(1)(2)</sup>	Share-based awards (C\$) <sup>(2)(3)</sup>	Non-equity incentive plan compensation	All other Compensation	Total C(\$)
Gabriel de Alba	-	255,655	-	-	255,655
Luis Fernando Alarcon	-	217,307	-	-	217,307
W. Ellis Armstrong	-	217,307	-	-	217,307
Raymond Bromark	111,849	111,849	-	-	223,698
Orlando Cabrales <sup>(4)</sup>	16,873	16,873	-	-	33,746
Russell Ford	43,461	173,845	-	-	217,306
Veronique Giry <sup>(4)</sup>	16,873	16,873	-	-	33,746

Name	Fees earned (C\$) <sup>(1)(2)</sup>	Share-based awards (C\$) <sup>(2)(3)</sup>	Non-equity incentive plan compensation	All other Compensation	Total C(\$)
Richard Herbert <sup>(5)</sup>	23,291	23,291	-	-	46,582
Camilo Marulanda <sup>(6)</sup>	102,262	102,262	-	-	204,524

Notes:

- (1) Includes the portion of the directors' retainers paid in cash.
- (2) Director Fees are paid in U.S.\$ at the beginning of each quarter. All amounts have been converted to C\$ using the closing exchange rate quoted by the Bank of Canada on the date of payment.
- (3) Share-based awards consist solely of the portion of the director's retainer that he or she has elected to receive in the form of DSUs. The number of DSUs credited to each director is calculated by dividing the dollar value of the portion of the director's retainer that he or she has elected to receive in the form of DSUs by the volume weighted average of the prices at which the Common Shares traded on the TSX for the five trading days immediately preceding the applicable quarterly grant date.
- (4) Ms. Giry and Mr. Cabrales joined the Board on November 7, 2018 and each received pro-rated annual retainer compensation for the fourth quarter of 2018.
- (5) Mr. Herbert was appointed to the Board on December 21, 2017 and resigned from the Board on March 27, 2018, in connection with his appointment as CEO of the Corporation, effective April 2, 2018.
- (6) Mr. Marulanda resigned from the Board on November 7, 2018.

### Incentive Plan Awards to Directors

As at December 31, 2018, the following DSUs were outstanding:

Name	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (C\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (C\$) <sup>(1)</sup>
Gabriel de Alba	31,655	423,544	
Luis Fernando Alarcon	26,906	360,002	
W. Ellis Armstrong	26,906	360,002	
Raymond Bromark	16,330	218,495	
Orlando Cabrales	951	12,724	
Russell Ford	21,298	284,967	
Veronique Giry	951	12,724	
Richard Herbert <sup>(2)</sup>	-	-	20,806
Camilo Marulanda <sup>(3)</sup>	-	-	266,409

Notes:

- (1) Based on the TSX closing price for the Common Shares of \$13.38 on December 31, 2018.
- (2) On March 27, 2018, Mr. Herbert resigned from the Board in connection with his appointment as CEO of the Corporation, effective April 2, 2018.
- (3) On November 7, 2018 Mr. Marulanda resigned from the Board.

The following table sets forth the value of DSUs that vested in 2018. The Corporation did not award non-equity plan compensation to directors.

Name and Principal Position	Share-based awards – Value vested during the year (C\$) <sup>(3)</sup>	Non-Equity incentive plan compensation – Value earned during the year (C\$) <sup>(4)</sup>
Richard Herbert <sup>(1)</sup>	28,644	
Camilo Marulanda <sup>(2)</sup>	328,930	

Notes:

- (1) On March 27, 2018, Mr. Herbert resigned from the Board in connection with his appointment as CEO of the Corporation, effective April 2, 2018.
- (2) On November 7, 2018 Mr. Marulanda resigned from the Board.
- (3) Based on multiplying the TSX closing price for the Common Shares on the date of resignation (C\$18.42 for Mr. Herbert and C\$16.52 for Mr. Marulanda) by the number of DSUs granted to the director.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE INCENTIVE PLAN

The following table sets forth information concerning the number of Common Shares reserved for issuance under the Incentive Plan pursuant to the issuance of Awards as at December 31, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding Awards <sup>(1)</sup>	Weighted-average exercise price of outstanding Awards (C\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by Shareholders <sup>(2)</sup> :	1,265,429 <sup>(3)(4)(5)</sup>	N/A	3,734,871 <sup>(6)</sup>

Notes:

- (1) Based on the assumption that all outstanding RSUs and DSUs as of December 31, 2018 were settled in Common Shares.
- (2) The Corporation does not have a compensation plan that has not been approved by Shareholders.
- (3) The Compensation and Human Resources Committee approved, subject to exceptional business performance as determined by such committee in its sole discretion, the issuance of an additional 228,530 RSUs, representing 30% of the RSUs issued under the Incentive Plan during the year ended December 31, 2017 and the issuance of an additional 392,694 RSUs, representing 50% of the RSUs issued under the Incentive Plan during the year ended December 31, 2018.
- (4) RSUs granted in 2018 fully vest and settle on April 19, 2021. RSUs granted in 2017 vest annually in three equal tranches and settle on August 8, 2020. There were 163,088 RSUs vested and outstanding as at December 31, 2018, with an estimated unit fair value of C\$18.11 based on the TSX closing market price of the Common Shares on the vesting dated.
- (5) Each DSU represents the right to receive a cash payment, shares or a combination of both upon retirement or termination equal to the volume-weighted average market price of the Common Shares at the time of settlement.
- (6) The number of Common Shares remaining available for future issuance under the equity compensation plans also excludes: (i) the 228,530 additional RSUs for the RSUs granted in 2017 and the 392,694 additional RSUs for the RSUs granted in 2018; and (ii) Common Shares subject to an Award (or any portion thereof) that were settled in cash in lieu of settlement in treasury Common Shares.

Currently, the Incentive Plan provides that the Corporation may reserve, set aside and make available for issuance a maximum of 5,000,300 Common Shares for issuance as part of the compensation of employees, officers and directors. Common Shares subject to any Award (or any portion thereof) that have expired or are forfeited, surrendered, cancelled or otherwise terminated prior to the issuance or transfer of such Common Shares will again be available for grant under the Incentive Plan. Notwithstanding the foregoing, treasury Common Shares subject to an Award (or any portion thereof) that is settled in cash in lieu of settlement in treasury Common Shares shall reduce the number of Common Shares available for grant under the Incentive Plan.

### Annual Burn Rate of Securities Issued under the Incentive Plan

For the DSUs issued pursuant to the Incentive Plan, the annual burn rate for the fiscal years ended December 31, 2016, 2017 and 2018 are as follows:

Year	Aggregate number of DSUs Issued <sup>(1)</sup>	Annual Burn Rate (%) <sup>(2)</sup>
2016	33,268	0.03
2017	60,054	0.06
2018	60,079	0.06

Notes:

- (1) Units and per unit amounts are stated on an adjusted post-split basis to reflect the two-for-one share split completed in June, 2018.
- (2) The burn rate is calculated by dividing the total number of DSUs granted that year by the weighted average number of outstanding Common Shares at the end of the applicable fiscal year

For the RSUs issued pursuant to the Incentive Plan, the annual burn rate for the fiscal years ended December 31, 2016, 2017 and 2018 are as follows:

Year	Aggregate number of RSUs Issued <sup>(1)(5)</sup>	Annual Burn Rate (%) <sup>(2)</sup>
2016	-	-
2017	761,772 <sup>(3)</sup>	0.76
2018	785,388 <sup>(4)</sup>	0.79



Notes:

- (1) Units and per unit amounts are stated on an adjusted post-split basis to reflect the two-for-one share split completed in June, 2018.
- (2) The burn rate is calculated by dividing the total number of RSUs granted that year by the weighted average number of outstanding Common Shares at the end of the applicable fiscal year.
- (3) The Compensation and Human Resources Committee approved, subject to exceptional business performance as determined by such committee in its sole discretion, the issuance of an additional 228,530 RSUs, representing 30% of the RSUs issued under the Incentive Plan during the year ended December 31, 2017.
- (4) The Compensation and Human Resources Committee approved, subject to exceptional business performance as determined by such committee in its sole discretion, the issuance of an additional 392,694 RSUs, representing 50% of the RSUs issued under the Incentive Plan during the year ended December 31, 2018.
- (5) As a result of departures of certain employees granted RSUs, certain awarded RSUs that have yet to vest were subsequently forfeited and cancelled pursuant to the corresponding Award agreement and the Incentive Plan.

Further information on the Incentive Plan can be found under the heading entitled “Statement of Executive Compensation – Incentive Plan Awards – Description of Incentive Plan.”

## **CORPORATE GOVERNANCE**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices (“NI 58-101”)* requires reporting issuers to disclose their corporate governance practices with reference to a series of guidelines for effective corporate governance (the “**Corporate Governance Guidelines**”) set forth in National Policy 58-201 – *Corporate Governance Guidelines*.

Set out below is a description of the corporate governance practices of the Corporation, in accordance with the Corporate Governance Guidelines.

### **2018 Corporate Governance Review**

Management and the Board reviews the Corporation’s corporate governance policies and practices annually. In 2017, the Board conducted a comprehensive review and the General Counsel’s office, with the help of PricewaterhouseCoopers LLP and McMillan LLP, led a process to update the Corporation’s policies, charters, mandates and guidelines to reflect current best practices. As a result of the relatively recent revisions, for the 2018 annual review the Board and management took a strategic approach to the review of such documents, limiting suggested revisions to updates to reflect the Corporation’s current operating procedures and updates to the organizational structure.

The following disclosure reflects the current corporate governance policies and practices of the Corporation.

### **Board of Directors**

The Board is currently comprised of seven (7) directors, all of whom are “independent” within the meaning under NI 58-101 and NI 52-110. If all director nominees are successfully elected, the Board will continue to consist of a majority of independent directors. Pursuant to NI 52-110, an independent director is one who is free from any direct or indirect material relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with a director’s independent judgment.

The Chairman of the Board, is responsible for ensuring that the Board discharges its responsibilities independently of management. At each meeting of the Board, Audit Committee, Corporate Governance Committee, and Compensation and Human Resources Committee independent board members are given the opportunity to participate in, in-camera sessions during which members of management are not in attendance. From January 1, 2018 to December 31, 2018, there were 10 meetings of the Board, 8 meetings of the Audit Committee, 4 meetings of the Corporate Governance Committee and 7 meetings of the Human Resources Committee.

Currently, the directors listed below serve as directors on the boards of other reporting issuers or the equivalent in a foreign jurisdiction. This information has been provided by the directors and has not been independently verified by the Corporation.

<b>Director</b>	<b>Reporting Issuer</b>
Luis Fernando Alarcon	Almacenes Éxito S.A. Grupo SURA Emgesa S.A. ESP.
Raymond Bromark	YRC Worldwide Inc.



The Board has considered each of Messrs. Alarcon and Bromark's participation as a board member of a number of other reporting issuers (or equivalent thereof) and has determined that such additional board memberships do not impair the respective director's ability to devote the time and attention to the Board required in order for him to properly discharge his duties nor his ability to act effectively and in the best interests of the Corporation. In making such a determination, the Board has also considered each such director's meeting attendance, skills and experience.

## Director Attendance

Regular Board and committee meetings are, whenever possible, set approximately one year in advance and special meetings are scheduled as required. The Board is required to meet at least four times a year. The Corporation expects its directors to attend at least 75% of the regularly scheduled Board and committee meetings, with certain exceptions permissible in the event of ongoing illness or personal emergencies. Directors are encouraged to attend all meetings in person, but they may also participate by teleconference.

The attendance record of each director of the Board for meetings held from January 1, 2018 to December 31, 2018 are as follows:

Director	Board Meetings Attended/Held	Total Board Meetings	Audited Committee Attended/Held	Corporate Governance Committee Attended/Held	Compensation and Human Resources Committee Attend/Held	Total Committee Meetings
Gabriel de Alba <sup>(3)</sup>	10/10	100%	n/a	n/a	7/7	100%
Luis Fernando Alarcon <sup>(2)</sup>	8/10	80%	n/a	4/4	n/a	100%
W. Ellis Armstrong <sup>(1)(2)</sup>	9/10	90%	8/8	4/4	n/a	100%
Raymond Bromark <sup>(1)</sup>	10/10	100%	8/8	n/a	n/a	100%
Orlando Cabrales <sup>(3)(6)</sup>	2/2	100%	n/a	n/a	1/1	100%
Russell Ford <sup>(1)(3)</sup>	10/10	100%	8/8	n/a	7/7	100%
Veronique Giry <sup>(2) (7)</sup>	2/2	100%	n/a	1/1	n/a	100%
Richard Herbert <sup>(5)</sup>	2/2	100%	n/a	n/a	n/a	n/a
Camilo Marulanda <sup>(2)(4)</sup>	7/8	87.5%	n/a	3/3	n/a	100%

### Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance Committee.
- (3) Member of the Compensation and Human Resources Committee.
- (4) On November 7, 2018 Mr. Marulanda resigned from the Board.
- (5) On March 27, 2018, Mr. Herbert resigned from the Board in connection with his appointment as CEO of the Corporation, effective April 2, 2018.
- (6) Mr. Cabrales was elected to the Board on November 7, 2018. Mr. Cabrales was appointed to the Compensation and Human Resources Committee on December 4, 2018.
- (7) Ms. Giry was elected to the Board on November 7, 2018. Ms. Giry was appointed to the Corporate Governance, Nominating & Sustainability Committee on December 4, 2018.

## Board Mandate

In order to facilitate the exercise of independent judgment in carrying out the Board's responsibilities, the Board has adopted a written mandate (the "**Mandate**") that sets forth in detail the responsibilities and obligations of each member of the Board.

The Board is mandated to, among other things:

- select, evaluate and compensate the CEO and other executive officers;
- satisfy itself of the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
- identify and review the principle risks of the Corporation's business and ensure that management has implemented appropriate systems to manage such risks;
- develop the Corporation's approach to corporate governance;
- review and approve strategic, business and capital plans for the Corporation;

- ensure that adequate internal controls and information systems are in place with regard to business performance; and
- establish a procedure by which Shareholders may provide feedback directly to any individual director, including the independent directors as a group, the Board or any Board committee and by which any interested party may communicate directly with the Chairman of the Board and the independent directors.

The Mandate is attached hereto as Schedule “A” and is also available on the Corporation’s website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca).

### **Other Board Committees and Position Descriptions**

The Corporation has established the Audit Committee, the Compensation and Human Resources Committee and the Corporate Governance Committee. The Board has also developed written mandate for the Chair of the Board, Board committee chairs and the CEO. These mandates set out the primary functions and responsibilities of each position. The Corporate Governance Committee reviews these mandates periodically and recommends to the Board any changes that may be required.

#### *Audit Committee*

The Audit Committee is currently comprised of Messrs. Bromark (Chairman), Armstrong and Ford. All members of the Audit Committee are “independent” directors and all are financially literate for purposes of National Instrument 52-110 – *Audit Committees* (“NI 52-110”). Each of the current members has a minimum of 30 years of business experience and each has held or currently holds executive positions that require oversight and understanding of the accounting principles underlying the preparation of financial statements.

The Audit Committee is responsible for:

- the Corporation’s financial reporting, including the audits of the Corporation’s financial statements and the integrity of the Corporation’s financial statements and internal controls;
- the qualifications and independence of the Corporation’s independent auditor (including the Committee’s direct responsibility for the engagement of the independent auditor);
- review and discuss with management and the independent auditor the Corporation’s annual and quarterly financial statements, the Corporation’s annual information form and the financial and other data contained therein to be filed on an annual or quarterly basis under NI 51-102.
- the Corporation’s compliance activities relating to accounting and financial reporting;
- general oversight function with respect to the internal audit and ethics and compliance departments of the Corporation, the heads of which report directly to the Audit Committee;
- assist the Board in fulfilling its oversight responsibility to review and approve the Corporation’s externally disclosed oil and gas reserves estimates, and any material changes to such reserves estimates, in accordance with NI 51-101, including reviewing the qualification of, and procedures used by, the independent engineering firms responsible for evaluating the Corporation’s reserves; and
- reviewing public disclosure and regulatory filings with respect to financial results.

The Audit Committee meets periodically with management and the independent auditors to ensure that each is discharging its respective responsibilities, to review the consolidated financial statements, the independent auditors’ report and to discuss significant financial reporting issues and auditing matters. The external auditors have full and unrestricted access to the Audit Committee to discuss audit findings, financial reporting and other related matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the Shareholders.

Reference is made to the information under the heading entitled “Audit Committee Information” in the Corporation’s Annual Information Form dated March 13, 2019 and the text of the Audit Committee’s charter attached as Appendix “A” thereto. The Corporation’s Annual Information Form is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca).

#### *Compensation and Human Resources Committee*

The Compensation and Human Resources Committee is currently comprised of Messrs. Alba (Chair), Ford, and Cabrales, all of whom are “independent” directors within the meaning of NI 58-101.

The Compensation and Human Resources Committee charter establishes the following oversight responsibilities, among other things:

- reviewing and approving, on an annual basis, the corporate goals and objectives relevant to the CEO’s compensation structure;
- reviewing and approving, on an annual basis, the evaluation process and compensation structure of the Corporation’s executive officers;

- reviewing and recommending, on an annual basis, a compensation package for members of the Board and committees of the Board;
- overseeing the application of the Incentive Plan;
- assessing the competitiveness and appropriateness of the Corporation's policies relating to executive compensation;
- reviewing the Corporation's benefits program to ensure adequacy and competitiveness with peers;
- reviewing management's long-range planning for executive development and succession;
- reviewing, on an annual basis, the Corporation's pension plans; and
- performing other review functions relating to management compensation and human resources policies as the Board deems appropriate.

In order to ensure that the process for determining executive compensation remains objective, the Board has satisfied itself that the members of the Compensation and Human Resources Committee understand and consider the broad objectives of the Corporation.

#### *Corporate Governance Committee*

The Corporate Governance Committee is currently comprised of Messrs. Alarcon (Chair), Armstrong and Ms. Giry, all of whom are "independent" directors within the meaning of NI 58-101. The Corporate Governance Committee charter establishes the main responsibilities of such committee relating to corporate governance and sustainability in general, including, without limitation:

- all matters relating to board composition and director nominations;
- Board independence;
- corporate governance framework and approach to ensure compliance with applicable securities laws and industry standards;
- director orientation and continuing education;
- such procedures as may be necessary to allow the Board to function independently of management;
- preparing and reviewing the corporate governance annual report including the management information circular prepared in connection with the annual shareholder meetings;
- all matters relating to reviewing the internal control systems in the areas of environmental, health and safety; and
- policies and programs related to environmental, social, sustainability, ethical, health and safety issues.

The Corporate Governance Committee also oversees the adoption of and compliance with policies associated with an efficient and effective system of corporate governance. In 2018, on the recommendation of the Corporate Governance Committee, the Board approved an updated Sustainability Policy to define the Corporation's strategy for suitable stakeholder engagement based on respect, integrity, commitment and sustainability. The Board also approved an Operations Policy and a Risk Management Policy during the year ended December 31, 2018.

#### **Orientation and Continuing Education**

The Corporate Governance Committee is responsible for ensuring that new directors are familiar with the Corporation's business and procedures of the Board. In accordance with the Corporation's governance documents and policies, the Board ensures that new directors receive a comprehensive orientation in order for new directors to fully understand the role of the Board and its committees within the organization and to ensure that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately.

New directors are provided information relating to, among other things, the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, recent filings and financial information, governance documents and important policies and procedures. In addition, new directors also meet with senior management and other directors to learn about the Corporation's business and operations and the procedures of the Board. The Corporation expects that all new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors).

As reflected in the Corporation's corporate governance documents and policies, the Board recognizes the importance of ongoing director education and encourages directors to participate in continuing education opportunities in order to keep current on developments in the oil and gas industry, corporate governance practices and other matters relevant to serving on the board of a public company.

While the Board does not have a formal continuing education program for its directors, the Corporate Governance Committee has established educational opportunities for all directors, so that directors 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. These opportunities include presentations to the Board by senior management on issues relevant to the Corporation's business plan, risk profile and other topics to keep directors up-to-date on business

activities, industry practice, corporate governance and other developments. Directors also have the opportunity to take part in site visits to view the Corporation's operations and facilities.

## **Ethical Business Conduct**

The Corporation is committed to conducting its affairs with integrity, respect, commitment and sustainability. To encourage and promote a culture of ethical business conduct, the Board has adopted a code of business conduct and ethics (the "Code"). A copy of the current Code is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca).

All directors, officers and employees are required to review and attest to compliance with the Code and, on an annual basis, complete an online survey regarding the information contained in the Code. The Board monitors compliance with the Code through its Audit Committee and receives compliance reports on a periodic basis.

The Code provides a framework for ethical behaviour based on the Corporation's values and applicable laws and regulations. All directors, officers and employees of the Corporation are expected to comply with the Code in the performance of their responsibilities. Specifically, the Code provides guidelines for handling any issues relating to conflicts of interest, the protection of the Corporation's assets and resources, the protection of confidential information, compliance with laws, rules and regulations, fair dealing with the Corporation's customers, suppliers and competitors, and also provides a mechanism to report any violation of the Code and illegal or unethical behaviour.

In addition, the Board has a Whistleblower Policy to encourage directors, officers, employees or external parties to raise concerns about suspected or actual noncompliance with the Code or any other aspects of the Corporation's operations. A copy of the Whistleblower Policy is available on Corporation's website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca).

From time to time, matters may be put before the Board where a member has a conflict of interest. When such matters arise, that director is required to declare himself or herself as having a conflict of interest and will abstain from participating in the discussions and any vote on that matter.

## **Nomination of Directors**

The Corporate Governance Committee is responsible for establishing a nomination process and making recommendations to the Board with respect to nomination of directors. See "Corporate Governance - Position Descriptions and Other Board Committees" for a summary of the committee's mandate.

While there are no specific criteria for Board membership, the Corporation seeks to attract and retain directors with a wealth of business experience and knowledge of the Corporation's industry or other industries which provide relevant knowledge or which would assist in guiding the management team of the Corporation. In addition, the Corporate Governance Committee will consider the commitment of time and resources that a candidate can devote to the Corporation as a member of the Board.

To encourage an objective nomination process, director nominations tend to be the result of recruitment efforts by management of the Corporation and members of the Corporate Governance Committee, but are subject to informal discussions among the directors prior to the consideration by the Board of the nominated director.

The Corporate Governance Committee annually reviews the competencies, skills and personal qualities of each existing director and the contributions made by the directors to the effective operation of the Board and reviews any significant change in the primary occupation of a director to ensure that no new conflicts have arisen.

The Corporate Governance Committee uses a skills matrix to identify the skills, knowledge, experience and capabilities desired of the Board to enable it to meet both current and future challenges of the Corporation. This matrix is reviewed regularly as part of the Corporate Governance Committee's ongoing assessment of board composition and size, and is used to assess potential candidates in the nomination process so that any gaps in skill set and diversity are considered. The matrix is also used as a tool to evaluate the Board and to detail the skills and experience each director contributed to the Board and to track their areas of expertise.

In 2018, the skills matrix used by the Corporate Governance Committee was as follows:

<b>Skill/Experience</b>
<b>Management and Leadership</b> Experience driving strategic direction and leading growth of an organization.
<b>International Experience</b> Experience working in a major organization that has business in one or more international jurisdictions.
<b>Governance/Board</b> Experience as a board member of a publicly-listed company or major organization.

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**Governance**

Commitment to the highest standards of governance, including experience with a major organization that is subject to rigorous governance standards, and an ability to assess the effectiveness of senior management

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**Operations**

Experience and knowledge of the operations of companies in the oil and gas industry.

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**Industry Knowledge – Oil and Gas**

Operating, management or marketing expertise in the oil and gas industry.

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**Investment Banking/Mergers & Acquisitions**

Experience in investment banking or in major mergers and acquisitions.

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**Legal**

Private practice or in-house experience advising within the public company environment, including transactional or corporate finance experience.

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**Human Resources/Compensation**

Strong understanding of compensation, benefit and pension programs, legislation and agreements, with specific expertise in executive compensation programs.

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**Financial Acumen**

Experience in financial accounting and reporting and corporate finance, especially with respect to familiarity with internal controls, Canadian or U.S. GAAP and/or IFRS.

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**Sustainable Development**

Understanding the constituents of sound sustainable development practices and their relevance to corporate success.

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**Health, Safety and Environment**

Strong understanding of the requirements and leading practices of workplace safety, health and environment.

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**Government Relations**

Experience in, or strong understanding of, the workings of government and public policy in Canada, Colombia and internationally.

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**Compensation**

The Compensation and Human Resources Committee is responsible for the functions of a compensation committee. See “*Corporate Governance - Other Board Committees and Position Description – Compensation and Human Resources Committee.*”

The Compensation and Human Resources Committee reviewed competitive market data from third-party sources for compensation for directors and the Named Executives and made recommendations regarding the format and quantum of such compensation to the Board for approval. As part of this process, external consultants had been engaged by the Compensation and Human Resources Committee from time to time to conduct a competitive review of and to make specific recommendations on compensation for directors and Named Executives. See “*Statement of Executive Compensation – Compensation Discussion and Analysis.*”

**Assessments**

The Corporate Governance Committee is responsible for annually reviewing the effectiveness of the Board, Board committees and individual directors. Annually, the directors are required to complete an evaluation questionnaire (the “**Board Evaluation Questionnaire**”) which is designed to provide directors with an opportunity to examine how the Board has operated in the past year and to make suggestions for improvement.

In connection with the Board Evaluation Questionnaire, directors are asked to complete a skills questionnaire, which provides the Board with an opportunity to review the skills, knowledge and expertise of its current directors to ensure the Board is appropriately constituted to address the strategic objectives of the Corporation.

In completing the Board Evaluation Questionnaire, the directors are asked to review the collective performance of the Board and each committee of the Board regarding: (i) the performance of the Board to its mandate; (ii) the performance of the Board committees to their respective charters; and (iii) the performance of directors to their applicable position descriptions and expected competencies and skills.

The chair of the Corporate Governance Committee will receive the results of the Board Evaluation Questionnaire and skills questionnaire on a confidential basis and summarize the results with the assistance of the General Counsel’s office. The Corporate Governance Committee will review the questionnaire results, report the results to the Board and, if necessary, develop recommendations for the Board to consider. Subsequently, the Board will review the results of the Board Evaluation Questionnaire, skills questionnaire and the Corporate Governance Committee’s recommendations and take any steps it deems necessary to resolve any issues.

## **Term Limits and Retirement**

The Corporation does not currently have a formal policy regarding term limits or mandatory retirement for directors. The Corporation believes a policy imposing a term limit or an arbitrary retirement age would discount the value of experience and unnecessarily deprive the Corporation of the contribution by directors who have developed a deep knowledge of the Corporation over time.

Each director is elected for a one-year term at each annual meeting. When considering renewal of current directors, the Corporate Governance Committee reviews, among other things, the competencies, skills and personal qualities and the contributions made by each director to the effective operation of the Board to determine whether renewal of such director would be in the best interest of the Corporation and Shareholders. The Corporate Governance Committee reviews retirement on a case-by-case basis.

## **Diversity**

Frontera is committed to providing equal opportunities for individuals who have the necessary qualifications for employment and advancement within the Corporation. The Corporation's objectives, as outlined in its Code, include providing a work environment that is free of discrimination and harassment, including based on gender.

Frontera considers gender diversity to be important and is fully committed to increasing diversity on the Board over time, and is actively engaged in initiatives aimed at developing its diversity across the organization. Although the Corporation has not adopted a formal written policy relating to the identification and nomination of female director nominees or executive officer candidates, the Corporation recognizes the benefits of diversity at all levels within its organization.

In identifying new candidates for nomination to the Board, the Corporate Governance Committee takes into account a broad variety of factors it considers appropriate, including skills, independence, financial acumen, board dynamics, personal characteristics and gender. In addition, diversity arising from personal, professional or other attributes and experiences are also considered when identifying potential director candidates. In March, 2018, the Board approved a Human Talent Policy which sets out principles and guidelines to manage human talent, to ensure and maintain optimal organizational capabilities. The Human Talent Policy reflects the Corporation's commitment to embrace diversity and inclusion and to attract and retain highly talented individuals. The Human Talent Policy also ratifies the Corporation's declaration of Human Rights and Gender Equality as a corporate commitment to protect the rights of personnel and value equity, fairness and dignity. The Corporate Governance Committee is responsible for overseeing the monitoring and implementation of the Human Talent Policy.

The Board currently has one female director. In addition, the Corporation employs 349 women out of its 1,184 total employees (or approximately 29%) and two of the Corporation's executive officers are women (or approximately 20%). The Corporation does not currently intend to adopt targets for female nominee directors or executive officers as the composition of the Board and the executive officer group is based on a broad variety of factors the Corporation considers appropriate and it is ultimately the skills, experience, characteristics and qualifications of the individual that are most important in assessing the value the individual could bring to the Corporation. The Board believes that its current framework for evaluating Board and executive officer candidates takes into account gender diversity. The Corporation encourages female candidates to apply for vacant positions and the Corporation is an equal opportunity employer. However, the priority of the Corporation when recruiting new candidates is ensuring individuals bring value to the Corporation and its Shareholders by possessing a suitable mix of qualifications, experience, skills and expertise.

## **OTHER MATTERS**

### **Advance Notice Policy**

The Board initially adopted an advance notice policy ("**Advance Notice Policy**"), effective April 12, 2013, which was later approved and ratified by Shareholders on May 30, 2013, and re-approved by the Board on April 7, 2017.

The Advance Notice Policy includes, among other things, a provision that requires advance notice be given to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**"); or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

Additionally, the Advance Notice Policy sets a deadline by which Shareholders of record must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders, sets forth the information that a Shareholder must include in the notice to the Corporation and establishes the form in which the Shareholder must submit the notice.

The foregoing description is a summary only of the Advance Notice Policy. A copy of the Advance Notice Policy can be found on the Corporation's website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca).

#### **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND OFFICERS**

Since the beginning of the Corporation's most recently completed financial year, there is no, and there has not been any, outstanding indebtedness owing to the Corporation or any subsidiary of the Corporation, or another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, in connection with the issuance of securities or otherwise by: (i) any director, executive officer or employee of the Corporation or any of its subsidiaries; (ii) any former director, executive officer or employee of the Corporation or any of its subsidiaries; (iii) any proposed nominee for election as a director of the Corporation; (iv) any associate of any individual who is, or at any time during the Corporation's most recently completed financial year was, a director or executive officer of the Corporation; or (v) any associate of any proposed nominee for election as a director of the Corporation.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Corporation, or any of the associates or affiliates of those persons has any material interest, direct or indirect, in any transaction since the beginning of the Corporation's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Corporation or any of its subsidiaries.

For the above purposes, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

#### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to the management should properly come before the Meeting, the accompanying Proxy Form will be voted on such matters in accordance with the best judgment of the persons voting the Proxy Form.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Corporation's website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca). Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders of the Corporation may request copies of the Corporation's financial statements and management's discussion and analysis by contacting the Secretary of the Corporation at the Corporation's head office at 333 Bay Street, Suite 1100, Toronto, Ontario M5H 2R2.

The Board has approved the contents and the mailing of this Circular.

DATED at Toronto, Ontario, this 18<sup>th</sup> day of April, 2019.

#### **APPROVED BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "Andrew Kent"*

**Andrew Kent  
General Counsel**

**SCHEDULE "A"**

**BOARD MANDATE  
(see attached)**





## FRONTERA ENERGY CORPORATION

### MANDATE OF THE BOARD OF DIRECTORS

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The members of the board of directors (the “**Board**”) of Frontera Energy Corporation (the “**Corporation**”) have the duty to supervise the management of the business and the affairs of the Corporation. The Board, directly and through its various committees, works with management to develop fundamental policies and strategic goals in an effort to preserve and enhance the business and the overall underlying value of the Corporation.

#### **Composition**

The Board’s composition and organization will be determined in accordance with the articles of the Corporation, the *Business Corporations Act* (British Columbia) (the “**Act**”) and all other applicable regulatory and securities laws.

If the Chairman of the Board is not an independent<sup>1</sup> director then the Board will seek to appoint a “lead” independent director.

The Board believes that the appropriate mix of skills, experience, age and gender will help to enhance its performance. The Board’s composition should reflect business experience compatible with the Corporation’s business objectives.

#### **Meetings**

The Board shall meet at least four times annually, or more frequently, as circumstances dictate. In addition, the Board shall hold separate, regularly scheduled meetings of independent directors at which members of management are not present.

#### **Position Descriptions**

The Board shall develop and maintain clear position descriptions for directors, including the Chairman of the Board and the Chair of each Board committee. Additionally, the Board, together with the Chief Executive Officer (the “**CEO**”), shall develop and maintain a clear position description for the CEO, which includes defining management’s responsibilities. The Board shall also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.

#### **Delegation of Authority**

The Board operates by delegating certain responsibilities to management to the extent such delegation is permitted by law. The Board shall work with the CEO to develop and maintain formal delegations of

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<sup>1</sup> A director is “independent” if he or she would be independent for the purposes of Sections 1.4 and 1.5 of *National Instrument 52-110 – Audit Committees*.

authority to define management's power and authority to manage the business of the Corporation. Any responsibilities that are not delegated to management will remain with the Board and its committees.

### **Expectations and Responsibilities of the Board**

Directors and the Board as a whole are expected to meet the following minimum standards:

- Demonstrate integrity and high ethical standards.
- Have career experience and expertise relevant to the Corporation's business purposes, financial responsibilities and risk profile.
- Have a proven understanding of fiduciary duty.
- Have the ability to read and understand financial statements.
- Demonstrate well-developed listening, communicating and influencing skills so that the individual directors can actively participate in Board discussions and debate.
- Devote his or her time to the Corporation as necessary to serve effectively as a director of the Corporation.
- Prepare and attend (absent extenuating circumstances) all scheduled meetings of the Board and meetings of committees of the Board on which the director serves. Where circumstances prevent a director from attending a scheduled meeting in person, that director shall make every effort to participate in the meeting by telephone. Directors are expected to attend 75% of Board meetings as discussed in the Corporate Governance Policy.
- Set aside adequate time to read and absorb the materials provided to the directors on a timely basis prior to any meeting of the Board and any meeting of committees on which the director serves. Preparation time will vary according to the complexity of the meeting materials.
- Participate fully and frankly in the deliberations and discussions of the Board and its committees, applying informed and reasoned judgement to each issue that arises and expressing opinions, asking further questions and making recommendations that such director thinks are necessary or desirable.
- Comply with requirements applicable to directors specified by the Corporation's corporate governance policies, including without limitation the Corporation's Corporate Governance Policy.

### **Mandate of the Board**

Each member of the Board is elected by the shareholders and represents all shareholders' interests in creating shareholder value. The Board shall have the responsibilities set out below. In addition to these responsibilities, the Board shall perform the duties required of a board of directors under the Act, binding requirements of the stock exchanges on which the securities of the Corporation are listed and all other applicable laws:

- Advocate and support the best interests of the Corporation.

- Ensure that the Board and its committees are given access to all members of management and employees of the Corporation, all of its subsidiaries (as such term is defined in the Code of Business Conduct and Ethics) and Fundación Frontera.
- Review and approve strategic, business and capital plans for the Corporation taking into account, among other things, the appropriateness of the business of the Corporation, and monitor management's execution of such plans.
- Review whether specific and relevant corporate measures are developed and adequate internal controls and information systems are in place with regard to business performance.
- Identify and review the principal risks of the Corporation's business and pursue the implementation by management of appropriate systems to manage such risks.
- Monitor progress and efficiency of strategic, business, and capital plans and require appropriate action to be taken when performance falls short of goals.
- Review measures implemented and maintained by the Corporation to ensure compliance with statutory and regulatory requirements.
- Select, evaluate, and compensate the CEO and other executive officers, satisfy itself of the integrity of the CEO and other executive officers and that the CEO and the other executive officers create a culture of integrity throughout the Corporation.
- Annually review appropriate senior management compensation programs.
- Adopt a public disclosure policy for the Corporation and monitor the practices of management against the Corporation's disclosure policy to ensure appropriate and timely communication to shareholders of material information concerning the Corporation.
- Establish a procedure by which shareholders may provide feedback directly to any individual director, including the independent directors as a group, the Board or any Board committee and by which any interested party may communicate directly with the Chairman of the Board and the independent directors.
- Develop the Corporation's approach to corporate governance, including a set of corporate governance principles and guidelines and monitoring the practices of the Corporation against such principles and guidelines.
- Monitor safety and environmental programs.
- Monitor the development and implementation of programs for management succession and development.
- Approve selection criteria for new candidates for directorship.
- Provide new directors with a comprehensive orientation, and provide all directors with continuing education opportunities.
- Ensure the Corporation's conformity with applicable statutes, regulations and standards (for example, environmental risks and liabilities, and conformity of financial statements).

- Regularly conduct assessments of the effectiveness of the Board, as well as the effectiveness and contribution of each Board committee and each individual director.
- Establish the necessary committees to govern the Corporation.
- Provide advice to and act as a sounding board for the CEO.
- Discharge such other duties as may be required in the good stewardship of the Corporation.
- Annually review and assess the adequacy of this charter and make any changes deemed necessary or appropriate.

In addressing its mandate, the Board assumes responsibility for the following approvals:

*Financial Approvals, including the following:*

- Strategic plan
- Annual business and capital plans
- Annual financial statements, management's discussion and analysis and auditors' report
- Quarterly earnings and press release (provided that the Board may delegate this to the Audit Committee)
- Budgeted capital expenditures
- Unbudgeted capital expenditures in excess of \$10,000,000
- Acquisitions and divestitures not in the normal course of business
- Significant financing or refinancing opportunities
- Dividend policy
- Share re-purchase programs

*Human Resources Approvals:*

- Appointment/succession/dismissal of CEO
- Compensation of the CEO
- Executive compensation arrangements and incentive plans\*

*Administration and Compliance Approvals:*

- Appointment of Board Committees and their Chairs
- Nomination of Directors\*
- Recommendation of Auditors to the Shareholders\*
- Proxy circular
- Annual information form
- Appointment of Chairman
- Major policies\*

\* Board may delegate to committees

**Currency of this Mandate**

This mandate was initially adopted by the Board on November 16, 2007 and was revised and last approved by the Board on December 6, 2017.