



## **Board of Directors**

### **Terms of Reference**

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#### **Role**

The principal role of the Board of Directors of Stream Oil & Gas Ltd. (“Stream” or the “Company”) is stewardship, including the protection and development of the Company’s assets with the objective of increasing shareholder value. The Board is primarily accountable to Stream’s shareholders.

Company management is responsible for the day to day conduct of the business. The Board is responsible for overseeing management and ensuring systems are in place to manage the risks of the Company’s business. The Board, through the Chief Executive Officer ("CEO"), sets the attitude of the Company towards ethics, compliance with applicable laws and regulatory policies, environmental, safety and health policies, financial practices, disclosure and reporting.

#### **Composition and Meetings**

- a) The Board of Directors is elected annually by shareholders. The number of Directors is currently five. While the election of directors is determined by the shareholders, it is the policy of the Board that a majority of the Directors be independent. Independence is defined in National Policy 58-101 and National Policy 52-110, attached as appendix.
- b) If the CEO is also the Chairman, the Board will appoint an independent director as lead director.
- c) Directors must never be in an undisclosed conflict of interest. If such a conflict is perceived the Director must inform the Board.
- d) The independent Directors will meet regularly without non-independent Directors and at least quarterly.
- e) The Board will meet at least every quarter. Meetings may be held by telephone or any other telecommunication device that permits all persons participating in the meeting to hear each other.
- f) Notice of meetings and any materials for discussion and review will be provided to the Directors at a reasonable time in advance of the meeting.

- g) Unless there is a quorum, defined as 50% of board members in attendance, no material business will be discussed or decisions made.
- h) The Corporate Secretary will prepare and keep minutes and records of all meetings of the Board.
- i) Board minutes will be distributed in draft for review by Directors before being finalized.
- j) At meetings of the Board, any matter requiring a resolution of the Directors is decided by a majority of the votes cast.
- k) The Board may use consent resolutions for convenience from time to time

### **Responsibilities**

The Board is responsible for acting in accordance with the Company's articles and by-laws, and with relevant company legislation, securities commission and exchange policies, and the laws of the countries in which it operates. Directors will:

- a) act honestly in good faith and with a view to the best interest of the company;
- b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- c) exercise independent judgment; and
- d) disclose any conflict of interest on any issue, including any interest in an material contract or transaction brought before the board and refrain from participating in the Board Discussion and voting on the matter.

### **Committees**

The Board of Directors has the authority to appoint committees of the Board. The matters to be delegated to committees of the Board and the constitution of such committees are assessed at least annually. The following committees have been constituted:

- a) Audit Committee, to deal with financial reporting and control systems;
- b) Compensation and Corporate Governance Committee, to assess compensation, management, and succession planning within the Company; and to oversee the Company's approach to corporate governance and the promotion of compliance;

- c) Reserves Committee, to address matters relating to the Company's oil and gas reserves and related reporting.

At each meeting of the Board, the Chairman of each committee (or other committee member designated by the Board Chairman) will report the results of meetings and any associated recommendations.

### **Strategic Planning**

The Board will adopt a strategic planning process, which takes into account, among other things, the opportunities and risks of the Company's business. The Board is responsible for approving the strategy on an annual basis.

### **Risk Management**

- a) The Board will identify and have an understanding of the principal risks associated with the Company's business, including political, technical, financial, legal, regulatory and environmental risks. The Board will review and monitor systems to ensure risks are managed.
- b) The Board will ensure that the necessary internal controls and management systems are in place that effectively monitor the Company's operations and ensure compliance with applicable laws, regulations and policies.
- c) Board will review all acquisitions, significant financings, investments, dispositions outside the normal course of business.
- d) The Board will monitor compliance with the Company's Code of Business Conduct.

### **Disclosure, communications, confidentiality and insider trading**

The Board has adopted and will review on an annual basis the Company's disclosure, confidentiality and insider trading policy and practices to ensure that:

- a) disclosure made by the Corporation is accurate, informative, timely and broadly disseminated in accordance with applicable laws and stock exchange policies;
- b) directors, officers, employees and contractors understand their obligations to preserve the confidentiality of undisclosed material information; and
- c) directors, officers, employees and contractors who have undisclosed material information are prohibited from trading in securities of the Company and tipping under applicable laws and stock exchange rules.

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**Review of Terms of Reference**

The Board will review and assess these Terms of Reference at least annually.