



BOARD OF DIRECTORS MANDATE AND TERMS OF REFERENCE

The board of directors (the "**Board**") of Bengal Energy Ltd. (the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. In general terms, the Board will:

- A. in consultation with the chief executive officer of the Corporation (the "**CEO**"), define the principal objective(s) of the Corporation;
- B. supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined by the Board;
- C. discharge the duties imposed on the Board by applicable laws; and
- D. for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will be comprised as follows and perform the following duties:

II. COMPOSITION

A. Directors and Chair

The Board shall appoint a chairperson (the "**Chair**") from amongst the directors which comprise the Board. The majority of the directors must be independent, as defined under applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

The Chair shall act as Chair of all meetings of the Board and shareholders of the Corporation.

B. Committees

In addition to any other committees (including special committees) which the Board may in its discretion constitute from time to time, the Board shall have the following standing committees:

- (a) Audit Committee;
- (b) Reserves Committee; and
- (c) Governance and Compensation Committee.

Certain of the responsibilities of the Board may be delegated to these or other committees of the Board. The composition and responsibilities of these standing committees and any other standing committees of the Board will be as set forth in their terms of reference, as amended from time to time, and approved by the Board.

Committee members shall be appointed by the Board. The chair of each committee may be designated by the Board or, failing that, by the members of the particular committee. The chair of each committee (or such committee member as the chair may designate) shall report the results of meetings and any associated recommendations.

The Board is responsible for:

- (a) selecting and appointing the CEO;
- (b) establishing the CEO's position description, goals and objectives in consultation with the CEO;
- (c) evaluating the performance of the CEO at least annually;
- (d) in consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;
- (e) working with the CEO to select and appoint executive officers and establish their goals and objectives;
- (f) receiving annually from the CEO the CEO's evaluation of the performance of each executive officer;
- (g) approving any proposed significant change in the management organization structure of the Corporation;
- (h) approving all retirement plans, if any, for officers and employees of the Corporation; and
- (i) generally providing advice and guidance to management.

III. COMMUNICATION

To ensure that the Corporation has in place policies and programs that enable the Corporation to communicate effectively and in a timely manner with its shareholders, other stakeholders, analysts and the public generally the Board has adopted a Disclosure, Confidentiality and Trading Policy. The Board will review the Disclosure, Confidentiality and Trading Policy periodically as deemed necessary to ensure its objectives are being achieved and that the CEO, chief financial officer of the Corporation ("**CFO**") and management of the Corporation are effectively implementing the Disclosure, Confidentiality and Trading Policy.

IV. MEETINGS AND RECORD KEEPING

1. The Board shall meet regularly and at least quarterly at such times and at such locations as the Chair shall determine.
2. Notice of meetings shall be given to each director not less than 48 hours before the time of the meeting (unless such notice period is waived). Meetings of the Board may be held without formal

notice if all of the directors are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting. The notice of the meeting may be delivered personally, given by mail, facsimile or other electronic means of communication.

3. Each member of the Board is expected to attend Board meetings and meetings of committees on which he or she is a member and to be familiar with deliberations and decisions as soon as possible after any missed meetings. Members of the Board are expected to prepare for meetings by reviewing the meeting materials distributed to members of the Board, to the extent feasible, prior to such meetings.
4. The independent directors of the Board shall regularly hold in camera sessions of the Board, with only independent directors present and at such times as the independent directors determine advisable.
5. A quorum for meetings shall be a majority of the members of the Board, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.
6. If the Chair is not present at any meeting of the Board or at any meeting of the shareholders of the Corporation, one of the other directors who is present at the meeting shall be chosen by the Board to preside at the meeting.
7. The Chair shall establish the agenda for the meetings, and ensure that such agenda enables the Board to successfully carry out its duties, instruct management to circulate appropriate agenda materials to the Board with sufficient time for study prior to the meeting.
8. Every question at a Board meeting shall be decided by a majority of the votes cast.
9. Management shall receive notice of meetings and may attend meetings of the Board at the invitation of the Chair.
10. The Corporate Secretary of the Corporation, or any other person selected by the Board, shall act as secretary for the purpose of recording the minutes of each meeting.
11. The minutes of the meeting of the Board shall be placed in the Corporation's minute book.

V. DUTIES AND RESPONSIBILITIES

In accordance with applicable laws, the Board is required to always act honestly and in good faith with a view to the best interests of the Corporation.

The primary responsibilities of the Board include:

1. to the extent feasible, satisfying itself as to 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;
2. requiring the CEO to present annually to the Board a yearly business plan for the Corporation's business, which plans must:
 - (a) be designed to achieve the Corporation's principal objectives,

- (b) identify the principal strategic and operational opportunities and risks of the Corporation's business;
 - (c) be approved by the Board as a pre-condition to the implementation of such plans;
 - (d) review progress towards the achievement of the goals established in the strategic, operating and capital plans;
 - (e) identify the principal risks of the Corporation's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
 - (f) approve the annual operating and capital plans, as may be amended from time to time; and
 - (g) approve issuances of additional common shares of the Corporation or other securities to the public;
3. monitoring the Corporation's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances
 4. adopting a strategic planning process in consultation with the CEO and approving, at least on an annual basis, a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business;
 5. identifying the principal risks of the Corporation's business, and ensuring appropriate systems are implemented to manage these risks;
 6. providing continuing education opportunities for all directors so they may maintain or enhance their skills and abilities as directors, as well as ensure their knowledge and understanding of the Corporation's business remains current;
 7. adopting a succession plan which includes the appointing, training and monitoring of senior management;
 8. adopting and reviewing on a periodic basis the Disclosure, Confidentiality and Trading Policy to ensure that disclosure made by the Corporation is accurate, informative, timely and broadly disseminated all in accordance with applicable laws and stock exchange rules;
 9. ensuring that the Corporation has appropriate processes in place to effectively communicate with its employees, government authorities, other stakeholders and the public;
 10. ensuring the necessary policies and procedures are in place that effectively monitor the Corporation's health, safety and environmental compliance with applicable laws, regulations and policies, including, amongst other things:
 - (a) reviewing and making recommendations concerning the Corporation's maintenance of environmental, health and safety policies, procedures and practices in the conduct of its operations, directed to prevent any injury to the employees or public and to minimize any adverse environmental impact;

- (b) reviewing and making recommendations with respect to such procedures and practices as they relate to documenting and reporting environmental and safety regulatory approvals, compliance and incidents;
 - (c) reviewing and making recommendations concerning environment and safety emergency response planning procedures;
 - (d) reviewing management's periodic status and assessment reports, not less than annually, concerning the Corporation's compliance with its corporate policies and regulatory standards for safety and environmental practices;
 - (e) examining such records as the Board deems necessary to ensure that reasonable measures are in place to prevent environmental and safety mishaps or non-compliance with regulatory requirements; and
 - (f) the Board shall have the authority to, from time to time, request management to engage the services of qualified experts to address issues of significance to the Board. The engagement of such specialists, the scope of the review and the remuneration of such services are to be set by the Board;
11. in conjunction with the Audit Committee, ensuring the necessary internal controls and management systems are in place that effectively monitor the Corporation's operations and ensure compliance with applicable laws, regulations and policies, including, amongst other things:
- (a) reviewing on an annual basis the controls and procedures established for the certification of financial and other disclosure made by the Corporation;
 - (b) monitoring the appropriateness of the Corporation's capital structure;
 - (c) ensuring that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
 - (d) in consultation with the CEO, establishing the ethical standards to be observed by all officers and employees of the Corporation and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
 - (e) requiring that the CEO institute, and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation;
 - (f) reviewing insurance coverage of significant business risks and uncertainties;
 - (g) reviewing and approving the Corporation's hedging program;
 - (h) reviewing and approving material contracts to be entered into by the Corporation;
 - (i) recommending to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporation's auditors;
 - (j) reviewing any dividend levels, based on information from and consultation with management and approving all changes to dividend levels, as appropriate; and

- (k) taking all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance;
12. developing clear position descriptions for the Chair and, in consultation with the CEO, for the CEO;
 13. developing or approving the corporate goals and objectives that the CEO is responsible for meeting;
 14. monitoring compliance with the Corporation's Code of Business Conduct and Ethics;
 15. establishing an appropriate system of corporate governance principles and guidelines applicable to the Corporation and facilitating the continuity, effectiveness and independence of the Board by, amongst other things:
 - (a) reviewing periodically the size of the Board and Board member qualifications to ensure its continued effectiveness (including, without limitation, facilitating effective decision-making) and to ensure that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements;
 - (b) regularly assessing the effectiveness and contribution of the Board, its committees and each member of the Board considering, among other things, the applicable mandate and terms of reference for the Board and each committee and in the case of each member of the Board, the competencies and skills each member is expected to bring to the Board;
 - (c) reviewing periodically the general responsibilities and function of the Board and its committees and the chair of each committee, and the roles of the Chair and the CEO;
 - (d) approving the nomination of directors;
 - (e) providing a comprehensive orientation to each new director;
 - (f) establishing committees and approving their respective mandate and terms of reference and the limits of authority delegated to each committee;
 - (g) reviewing and re-assessing the adequacy of the mandate and terms of reference of the committees of the Board on a regular basis, but not less frequently than on an annual basis;
 - (h) establishing a system to enable any director to engage an outside adviser at the expense of the Corporation; and
 - (i) reviewing the adequacy and form of the annual corporate governance disclosure of the Corporation in its information circular, including the directors' compensation information included therein.

VI. DELEGATION

The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.

VII. STAKEHOLDER COMMUNICATION

Any stakeholder may contact the Board by e-mail or in writing *c/o* the Corporate Secretary. Matters relating to the Corporation's accounting, internal accounting control or audit matters will be referred to the Audit Committee. Other matters will be referred to the Chair. Stakeholders may also directly contact the Chair.

VIII. STANDARDS OF LIABILITY

Nothing contained in this Mandate and Terms of Reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board. The purposes and responsibilities outlined in this Mandate and Terms of Reference are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

IX. REVIEW OF THIS MANDATE AND TERMS OF REFERENCE

The Board shall review and assess this Mandate and Terms of Reference and any governance principles and guidelines established by the CEO, CFO and management annually and otherwise as it deems appropriate.

Dated: March 28, 2018