



STRATEGIC AMERICAN
O I L C O R P O R A T I O N

CORPORATE GOVERNANCE MANUAL

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DEFINITIONS

In this Corporate Governance Manual and its related Charters, Policies and appendices attached, the following words and expressions have the following meanings unless stated otherwise:

“Affiliate” means a corporation that is related to another corporation by virtue of the fact that the first corporation is, directly or indirectly, a subsidiary of the second corporation or both corporations are, directly or indirectly, subsidiaries of the same corporation or each corporation is, directly or indirectly, controlled by the same person or corporation;

“Associate” means, where used to indicate a relationship with a director or officer:

- (a) a spouse of the director or officer;
- (b) a relative of the director or officer where the relative has the same home as the director or officer;
- (c) a partner of the director or officer;
- (d) a trust or estate in which the director or officer has a substantial beneficial interest or for which the director or officer serves as trustee or in a similar capacity; or
- (e) a corporation, if the director or officer beneficially owns at least 10% of the voting shares of the corporation;

“Blackout Period” has the meaning ascribed to it in Tab 3;

“Board” means the Board of Directors of Strategic American Oil Corporation;

“CEO” means the Chief Executive Officer of Strategic American Oil Corporation;

“CFO” means the Chief Financial Officer of Strategic American Oil Corporation;

“Chairman” means the Chairman of the Board of Strategic American Oil Corporation;

“Code of Conduct” has the meaning ascribed to it in Tab 11;

“COO” means, when applicable, the Chief Operating Officer of Strategic American Oil Corporation;

“Corporate Disclosure Policy” has the meaning ascribed to it in Tab 1 as set forth under Tab 1 herein;

“Corporate Information” has the meaning ascribed to it in Tab 2;



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“Corporation” means Strategic American Oil Corporation and includes any subsidiary of the Corporation;

“Disclosure Committee” has the meaning ascribed to it in Tab 2;

“Insider” means all directors and Senior Officers (including any Vice President, the Secretary or any other individual who performs a similar function) of the Corporation and any person or company that beneficially owns or exercises control or direction over 10% or more of the common shares of Strategic American Oil Corporation;

“Material information” means any corporate information which would have or would reasonably be expected to have a significant affect on the value or market price of the Corporation’s securities and includes information about significant changes to senior management, financial results, decisions concerning dividends, major acquisitions, dispositions, investments, sales or restructurings, and the acquisition or loss of important contracts;

“National Policy 52-501” has the meaning ascribed to it in Tab 2;

“Nominating Sub-Committee” has the meaning ascribed to it in Tab 1;

“securities” includes shares, options, warrants, and convertible debt instruments;

“Securities Trading Policy” has the meaning ascribed to it in Tab 2 as set forth under Tab 3 herein;

“Senior Officers” means the President and Chief Executive Officer, the Chief Operating Officer, when available, and the Chief Financial Officer;

“special relationship” has the meaning ascribed to it in Tab 3; and

“trade” means and includes a purchase or sale of securities, an offer or solicitation to purchase or sell securities and an exercise of an option, warrant or other convertible security.