



**CHARTER OF THE CORPORATE GOVERNANCE  
COMMITTEE  
STINGRAY DIGITAL GROUP INC.**

# CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE OF STINGRAY DIGITAL GROUP INC.

## GENERAL

### 1. PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

#### 1.1 Purpose

The Committee is appointed by the Board to assist the Board in corporate governance matters. The Committee's purpose includes responsibility for:

- (a) developing and recommending to the Board a set of corporate governance principles applicable to the Corporation and the Corporation's response to the corporate governance principles;
- (b) approving and monitoring insider trading policies; and
- (c) such other matters as are set out in this Charter or as may otherwise be assigned to the Committee by the Board.

### 2. DEFINITIONS AND INTERPRETATION

#### 2.1 Definitions

In this Charter:

- (a) "**Board**" means the board of directors of the Corporation;
- (b) "**Chair**" means the chair of the Committee;
- (c) "**Chief Executive Officer**" means the President and Chief Executive Officer of the Corporation;
- (d) "**Committee**" means the Corporate Governance Committee of the Board;
- (e) "**Corporate Secretary**" means the Corporate Secretary of the Corporation;
- (f) "**Corporation**" means Stingray Digital Group Inc.; and
- (g) "**Director**" means a member of the Board.

## 2.2 Interpretation

The provisions of this Charter are subject to the articles and by-laws of the Corporation and to the applicable provisions of the *Canada Business Corporations Act* and any other applicable legislation.

## **CONSTITUTION AND FUNCTIONING OF THE COMMITTEE**

### 3. ESTABLISHMENT AND COMPOSITION OF COMMITTEE

#### 3.1 Establishment of the Committee

The Committee is hereby continued with the constitution, function and responsibilities herein set forth.

#### 3.2 Appointment and Removal of Members of the Committee

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board, having considered the recommendation of the Committee.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.
- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

#### 3.3 Number of Members

The Committee shall consist of three or more Directors.

### 3.4 Qualification and Independence of Members

- (a) *Qualification of Members.* A Director is not required to have any specific qualifications in order to serve as a member of the Committee, other than having a working familiarity with corporate governance matters.
- (b) *Independence of Members.* A majority of the members of the Committee shall be independent of the Corporation for the purposes of all applicable regulatory and stock exchange requirements.

## 4. COMMITTEE CHAIR

### 4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members). The Chair leads the Committee in all aspects of its work and is responsible to effectively manage the affairs of the Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair shall:

- (a) provide leadership to enable the Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- (b) in consultation with the chair of the Board and the Chief Executive Officer, ensure that there is an effective relationship between management and the members of the Committee;
- (c) chair meetings of the Committee;
- (d) in consultation with the Chief Executive Officer, the Corporate Secretary and the chair of the Board, determine the frequency, dates and locations of meetings of the Committee;
- (e) in consultation with the Chief Executive Officer and the Corporate Secretary, review the annual work plan and the meeting agendas to ensure all required business is brought before the Committee to enable it to efficiently carry out its duties and responsibilities;
- (f) ensure, in consultation with the chair of the Board, that all items requiring the Committee's approval are appropriately tabled;

- (g) ensure the proper flow of information to the Committee and review, with the Chief Executive Officer and the Corporate Secretary, the adequacy and timing of materials in support of management's proposals;
- (h) report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee; and
- (i) carry out any special assignments or any functions as requested by the Board.

#### 4.2 Chair to be Appointed Annually

The designation of the Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

### 5. **COMMITTEE MEETINGS**

#### 5.1 Quorum

A quorum of the Committee shall be two members.

#### 5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

#### 5.3 Time and Place of Meetings

The Committee will meet as necessary. The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee.

#### 5.4 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

#### 5.5 Voting

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose, except

where only two members are present, in which case any question shall be decided unanimously. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

#### 5.6 Invitees

The Committee may invite Directors, officers, employees, advisors or consultants or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

#### 5.7 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

#### 5.8 In Camera Sessions of Independent Directors

To the extent that the members of the Committee include Directors who are not independent Directors as contemplated in this Charter, the independent Directors shall meet at the conclusion of each meeting of the Committee with only independent Directors present.

### 6. AUTHORITY OF COMMITTEE

#### 6.1 Retaining and Compensating Advisors

The Committee shall have the sole authority to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms of any such outside counsel and other advisors.

#### 6.2 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

#### 6.3 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

7. **REMUNERATION OF COMMITTEE MEMBERS**

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

**SPECIFIC DUTIES AND RESPONSIBILITIES**

8. **GOVERNANCE PRINCIPLES AND DISCLOSURE**

8.1 **Governance Principles**

- (a) *Governance Principles.* The Committee shall develop and recommend to the Board the Corporation's approach to corporate governance, including a set of governance principles and guidelines (the "**Governance Principles**").
- (b) *Difference from Recommended Practices.* If any of the Governance Principles are different from those recommended by applicable securities regulators or stock exchanges, the Committee shall advise the Board why it considers these differences to be appropriate.
- (c) *Annual Review of Governance Principles.* The Committee shall review the Governance Principles at least annually and recommend to the Board any changes to the Governance Principles which it considers appropriate.

8.2 **Governance Disclosure**

The Committee shall review and recommend to the Board for approval any disclosure relating to the Corporation's governance practices.

9. **BOARD EFFECTIVENESS**

9.1 **Board Independence**

Subject to the terms of any agreement between the shareholders of the Corporation and the Corporation, the Committee shall recommend to the Board structures and procedures to enable the Board to function independently of management, including procedures that allow the Board to meet on a regular basis without management present and oversee the development and implementation of any such structures and procedures approved by the Board.

## 9.2 Size of the Board

Subject to the terms of any agreement between the shareholders of the Corporation and the Corporation, the Committee shall, on an annual basis, examine the size and composition of the Board and, if appropriate, recommend to the Board a program to establish a Board comprised of members who facilitate effective decision-making.

## 9.3 Committees of the Board

The Committee shall review the Board's committee structure on an annual basis and recommend to the Board any changes it considers necessary or desirable with respect to the committee structure, including:

- (a) the charters of each committee;
- (b) the criteria for membership on any committee;
- (c) the composition of each committee;
- (d) the appointment and removal of members from any committee;
- (e) the operations of each committee, including the ability of any committee to delegate any or all of its responsibilities to a sub-committee of that committee; and
- (f) the process by which each committee reports to the Board.

## 10. ORIENTATION AND CONTINUING EDUCATION

### 10.1 Orientation

The Committee shall develop and recommend to the Board a comprehensive orientation program for new Directors, which shall include assisting new Directors to understand:

- (a) the role of the Board and its committees;
- (b) the contribution individual Directors are expected to make, including the commitment of time and resources that the Corporation expects from its Directors; and
- (c) the nature and operation of the Corporation's business.



## 10.2 Continuing Education

The Committee shall develop and recommend to the Board a continuing education program for all Directors which shall, among other things:

- (a) assist Directors to maintain or enhance their skills and abilities as directors; and
- (b) assist Directors in ensuring their knowledge and understanding of the Corporation's business remains current.

## 11. POLICIES

### 11.1 Corporate Disclosure Policy

The Committee shall review and recommend that the Board adopt a policy for the Corporation's communications with shareholders, the investment community, the media, governments and their agencies, employees and the general public. The Committee shall approve and receive regular reports from management and the disclosure committee with respect to the policy and the Corporation's compliance with its continuous and timely disclosure obligations thereunder.

### 11.2 Ethical Compliance and Legal Compliance

The Committee shall:

- (a) subject to Board approval, establish, review and update periodically the Corporation's Code Business Conduct and Ethics (the "**Code of Ethics**") and the Corporation's internal policies and procedures (collectively, the "**Policies**") with a view to complying with all applicable rules and regulations, and ensure that management has established a system to enforce this Code of Ethics and these Policies;
- (b) together with the Disclosure Committee of the Corporation, monitor adherence to the Code of Ethics and the Policies and review potential situations related thereto brought to the attention of the Committee in order to recommend to the Board whether or not to grant waivers from the requirements of the Code of Ethics and of the Policies;
- (c) review, approve and receive regular reports from management and the audit committee of the Board with respect to compliance with the Code of Ethics and the review system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements;

- (d) satisfy itself that management has established a system to disclose the Code of Ethics, any amendments to the code and any waivers from the code granted by the Committee for the benefit of a Director or senior officer of the Corporation, as required by applicable rules and regulations and receive regular reports from management with respect to compliance with this system; and
- (e) review, approve and receive regular reports from management and the Corporate Secretary with respect to legal compliance matters including the Corporation's Insider Trading and Blackout Period Policy.

12. **ANNUAL PERFORMANCE EVALUATION**

On an annual basis, the Committee shall follow the process established by the Board and overseen by the Human Resources and Compensation Committee of the Board for all committees of the Board for assessing the performance and effectiveness of the Committee.

13. **CHARTER REVIEW**

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate. The Board may amend this Charter, as required.

**Approved by the Board of Directors on April 21, 2015.**