



MANDATE OF THE BOARD OF DIRECTORS STINGRAY DIGITAL GROUP INC.

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GENERAL

1. PURPOSE AND RESPONSIBILITY OF THE BOARD

By approving this Mandate, the Board explicitly assumes responsibility for the stewardship of the Corporation and its business. This stewardship function includes responsibility for the matters set out in this Mandate, which form part of the Board's statutory responsibility to manage or supervise the management of the Corporation's business and affairs.

2. REVIEW OF MANDATE

The Board shall review and assess the adequacy of this Mandate annually and at such other times as it considers appropriate and shall make such changes as it considers necessary or appropriate.

3. DEFINITIONS AND INTERPRETATION

3.1 Definitions

In this Mandate:

- (a) **“Audit Committee”** means the Audit Committee of the Board;
- (b) **“Board”** means the board of directors of the Corporation;
- (c) **“Broadcasting Act”** means the Broadcasting Act, S.C. 1991, Ch. 11, and the regulations and directions promulgated thereunder, as amended from time to time;
- (d) **“Canadian”** shall have the meaning set forth in the Broadcasting Act or as specified in any regulation or direction made thereunder, as the same may be amended, supplemented or replaced, from time to time, including the *Direction to the CRTC (Ineligibility of Non-Canadians)* (SOR/97-192) made under the Broadcasting Act;
- (e) **“CBCA”** means the *Canada Business Corporations Act* and the regulations promulgated thereunder, as amended from time to time;
- (f) **“Chair”** means the chair of the Board;

- (g) "**Chief Executive Officer**" means the President and Chief Executive Officer of the Corporation;
- (h) "**Corporate Governance Committee**" means the Corporate Governance Committee of the Board;
- (i) "**Corporate Secretary**" means the Corporate Secretary of the Corporation;
- (j) "**Corporation**" means Stingray Digital Group Inc.;
- (k) "**Director**" means a member of the Board;
- (l) "**HRC Committee**" means the Human Resources and Compensation Committee of the Board;
- (m) "**Lead Director**" means the lead Director of the Corporation appointed pursuant to Section 7 of this Mandate;
- (n) "**Mandate**" means this mandate of the Board, as amended from time to time; and
- (o) "**Stock Exchange**" means, at any time, the Toronto Stock Exchange and any other stock exchange on which any securities of the Corporation are listed for trading at the applicable time.

3.2 Interpretation

This Mandate is subject to and shall be interpreted in a manner consistent with the articles and by-laws of the Corporation, the CBCA and any other applicable legislation.

CONSTITUTION OF THE BOARD

4. ELECTION AND REMOVAL OF DIRECTORS

4.1 Number of Directors

Subject to the terms of any agreement between the shareholders of the Corporation and the Corporation, the Board shall consist of such number of Directors as the Board may determine from time to time, within the range set out in the Corporation's articles of incorporation at such time.

4.2 Election of Directors

Directors shall be elected by the shareholders of the Corporation annually for a one year term, but if Directors are not elected at any annual meeting, the incumbent directors shall continue in office until their successors are elected.

4.3 Vacancies

The Board may appoint a member to fill a vacancy which occurs in the Board between annual elections of Directors, to the extent permitted by the CBCA.

4.4 Ceasing to Be a Director

A Director will cease to hold office upon:

- (i) delivering a resignation in writing to the Corporation (or at such later date as may be specified in the resolution);
- (ii) being removed from office by an ordinary resolution of the shareholders of the Corporation at an annual or special meeting;
- (iii) his or her death; or
- (iv) becoming disqualified from acting as a Director.

5. **CRITERIA FOR DIRECTORS**

5.1 Qualifications of Directors

Every Director shall be an individual who is at least 18 years of age, has not been found by a court to be of unsound mind and does not have the status of bankrupt.

5.2 Residency

At least:

- (i) 25% of the Directors shall be “resident Canadians” as defined in the CBCA; and
- (ii) 80% of the Directors shall be Canadians, *unless* the provisions contained in the Broadcasting Act requiring that not less than 80% of the directors of a corporation holding a licence to operate a broadcasting undertaking are repealed and not superseded or replaced with other similar provisions.

5.3 Independence of Directors

At least a majority of the Directors shall be independent for the purposes of all applicable legal and Stock Exchange requirements.

5.4 Other Criteria

The Board may establish other criteria for Directors as contemplated in this Mandate.

6. **BOARD CHAIR**

6.1 **Board to Appoint Chair**

The Board shall appoint its Chair from among the Directors. The Chair shall be an independent Director, unless an independent Director is appointed as Lead Director in accordance with Section 7 of this Mandate.

6.2 **Chair to Be Appointed Annually**

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

6.3 **Position Description**

Having regard to the recommendations of the HRC Committee, the Board shall adopt a position description for the Chair.

7. **LEAD DIRECTOR**

7.1 **Board to Appoint Lead Director**

The Directors may appoint a Lead Director that will perform certain duties and responsibilities associated with the Chair, provided, however, if the appointed Chair of the Board is the Chief Executive Officer or is not an independent Director, the Directors shall appoint a Lead Director that will perform the duties and the responsibilities associated with the Chair. Any Lead Director appointed by the Directors shall be an independent Director.

7.2 **Position Description**

The Lead Director shall oversee that the Board discharges its responsibilities, ensure that the Board evaluates performance of management objectively and that the Board understands the boundaries between the responsibilities of the Board and of management.

8. **REMUNERATION OF DIRECTORS AND RETAINING ADVISORS**

8.1 **Remuneration**

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

MEETINGS OF THE BOARD

9. **MEETINGS OF THE BOARD**

9.1 **Time and Place of Meetings**

Meetings of the Board shall be called and held in the manner and at the location contemplated in the Corporation's by-laws.

9.2 **Frequency of Board Meetings**

Subject to the Corporation's by-laws, the Board shall meet at least four times per year on a quarterly basis.

9.3 **Quorum**

In order to transact business at a meeting of the Board:

- (a) at least a majority of Directors then in office shall be present; and
- (b) at least 25% of the Directors present must be "resident Canadians" as defined in the CBCA (or, if this is not the case, a "resident Canadian" Director who is unable to be present and whose presence at the meeting would have resulted in the required number of "resident Canadian" Directors being present, must approve the business transacted at the meeting, whether in writing, by phone or otherwise).

9.4 **Secretary of the Meeting**

The Corporate Secretary shall act as Secretary of any meeting of the Board. In the event the Corporate Secretary cannot attend a meeting of the Board, the Chair shall designate a person who may, but need not, be a member of the Board, to be Secretary of that meeting of the Board.

9.5 **Right to Vote**

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

9.6 **Voting**

Any matters to be determined by the Board shall be decided by a majority of votes cast at a meeting of the Board called for such purpose. Actions of the Board may be taken by an instrument or instruments in writing signed by all of the members of the Board, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Board called for such purpose.

9.7 **Invitees**

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

9.8 **Confidentiality**

The proceedings and deliberations of the Board and its committees are confidential. Each Director shall maintain the confidentiality of information received in connection with his or her services.

10. **IN CAMERA SESSIONS**

10.1 **In Camera Sessions of Non-Management Directors**

In connection with each meeting of the Board, the non-management Directors shall meet without any member of management being present (including any Director who is a member of management).

10.2 **In Camera Sessions of Independent Directors**

To the extent that non-management Directors include Directors who are not independent Directors as contemplated in this Mandate, the independent Directors shall meet at the conclusion of each meeting of the Board with only independent Directors present.

DELEGATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD

11. **DELEGATION AND RELIANCE**

11.1 **Delegation to Committees**

The Board may establish and delegate to committees of the Board any duties and responsibilities of the Board which the Board is not prohibited by law from delegating. However, no committee of the Board shall have the authority to make decisions which bind the Corporation, except to the extent that such authority has been specifically delegated to such committee by the Board.

11.2 **Requirement for Certain Committees**

The Board shall establish and maintain the following committees of the Board, each having mandates that incorporate all applicable legal and Stock Exchange listing requirements and with such recommendations of relevant securities regulatory authorities and Stock Exchange as the Board may consider appropriate:

- (a) the Audit Committee;
- (b) the Corporate Governance Committee; and

- (c) the HRC Committee.

11.3 Composition of Committees

The Board will appoint and maintain in office members of each of its committees such that the composition of each such committee is in compliance with applicable securities law and the listing requirements of the Stock Exchange, and with such recommendations of relevant securities regulatory authorities and the Stock Exchange as the Board may consider appropriate and having regard to the recommendations of the HRC Committee with respect to such matters.

11.4 Review of Charters

On an annual basis, the Board will review the recommendations of the Corporate Governance Committee with respect to the charters of each committee of the Board. The Board will approve those changes to the charters that it determines are appropriate.

11.5 Delegation to Management

- (a) General. Subject to the Corporation's articles and by-laws, the Board may designate the offices of the Corporation, appoint officers, specify their duties and delegate to them powers to manage the business and affairs of the Corporation, except to the extent that such delegation is prohibited under the CBCA or limited by the articles or by-laws of the Corporation or by any resolution of the Board or policy of the Corporation.
- (b) Chief Executive Officer Position Description. Having regard to recommendations of the HRC Committee, and in consultation with the Chief Executive Officer, the Board shall adopt a position description for the Chief Executive Officer which:
 - (i) defines the limits of management's responsibilities; and
 - (ii) sets out the overall corporate goals and objectives that the Chief Executive Officer is responsible for meeting, taking into consideration goals and obligations relevant to Chief Executive Officer compensation approved by the HRC Committee.

11.6 Reliance on Management

The Board is entitled to rely in good faith on the information and advice provided to it by the Corporation's management.

11.7 Reliance on Others

The Board is entitled to rely in good faith on information and advice provided to it by advisors, consultants and such other persons as the Board considers appropriate.

11.8 Oversight

The Board retains responsibility for oversight of any matters delegated to any committee of the Board or to management.

DUTIES AND RESPONSIBILITIES

12. **DUTIES OF INDIVIDUAL DIRECTORS**

12.1 **Fiduciary Duty and Duty of Care**

In exercising his or her powers and discharging his or her responsibilities, a Director shall:

- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

12.2 **Compliance with CBCA and Constating Documents**

A Director shall comply with the CBCA and the regulations to the CBCA as well as with the Corporation's articles and by-laws.

12.3 **Compliance with the Corporation's Policies**

A Director shall comply with all policies of the Corporation applicable to members of the Board as approved by the Board.

13. **RESPONSIBILITIES OF DIRECTORS**

13.1 **Responsibilities Set out in Mandate**

A Director shall review and participate in the work of the Board necessary in order for the Board to discharge its duties and responsibilities as set out in this Mandate.

13.2 **Orientation and Education**

A Director shall participate in any orientation and continuing education programs developed by the Corporation for the Directors.

13.3 **Meeting Preparation and Attendance**

In connection with each meeting of the Board and each meeting of a committee of the Board of which the Director is a member, a Director shall:

- (a) review thoroughly the material provided to the Director by management in connection with the meeting, provided that such review is practicable in view of the time at which such material was delivered to the Director; and
- (b) attend each meeting in person to the extent practicable (unless the meeting is scheduled to be held by phone or video-conference).

13.4 **Assessment**

A Director shall participate in such processes as may be established by the Board for assessing the Board, its committees and individual Directors.

13.5 **Other Responsibilities**

A Director shall perform such other functions as may be delegated to that Director by the Board or any committee of the Board from time to time.

14. **BOARD RESPONSIBILITY FOR SPECIFIC MATTERS**

14.1 **Responsibility for Specific Matters**

The Board explicitly assumes responsibility for the matters set out below, recognizing that these matters represent in part responsibilities reflected in requirements and recommendations adopted by applicable securities regulators and the Stock Exchange and do not limit the Board's overall stewardship responsibility or its responsibility to manage or supervise the management of the Corporation's business and affairs.

14.2 **Delegation to Committees**

Whether or not specific reference is made to committees of the Board in connection with any of the matters referred to below, the Board may direct any committee of the Board to consider such matters and to report and make recommendations to the Board with respect to these matters.

15. **CORPORATE GOVERNANCE GENERALLY**

15.1 **Governance Practices and Principles**

The Board shall be responsible for developing the Corporation's approach to corporate governance.

15.2 **Governance Principles**

- (a) *Governance Principles.* The Board shall review and approve, if appropriate, a set of governance principles and guidelines appropriate for the Corporation (the "**Governance Principles**") having regard to the recommendations of the Corporate Governance Committee.

- (b) *Amendments.* The Board shall review the Governance Principles at least annually and shall adopt such changes to the Governance Principles as it considers necessary or desirable from time to time having regard to the recommendations of the Corporate Governance Committee.

15.3 Governance Disclosure

- (a) *Approval of Disclosure.* The Board shall approve disclosure about the Corporation's governance practices in any document before it is delivered to the Corporation's shareholders or filed with securities regulators or with the Stock Exchange having regard to the recommendations of the Corporate Governance Committee.
- (b) *Determination that Differences Are Appropriate.* If the Corporation's governance practices differ from those recommended by securities regulators or the Stock Exchange, the Board shall consider these differences and why the Board considers them to be appropriate having regard to the recommendations of the Corporate Governance Committee.

15.4 Delegation to Corporate Governance Committee

The Board may direct the Corporate Governance Committee to consider the matters contemplated in this Section 15 and to report and make recommendations to the Board with respect to these matters.

16. **RESPONSIBILITIES RELATING TO MANAGEMENT**

16.1 Integrity of Management

The Board shall, to the extent feasible, satisfy itself:

- (a) as to the integrity of the Chief Executive Officer and other executive officers; and
- (b) that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization.

16.2 Succession Planning

- (a) General. The Board shall be responsible for succession planning, including appointing, training and monitoring senior management.

- (b) Chief Executive Officer Succession. Having regard to the recommendations of the HRC Committee, the Board shall:

- (i) adopt policies and principles for Chief Executive Officer selection and performance review with respect to potential successors to the Chief Executive Officer; and

- (ii) policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer.

16.3 Chief Executive Officer Goals and Objectives

The Board shall receive recommendations of the HRC Committee and with respect to the corporate goals and objectives that the Chief Executive Officer is responsible for meeting and shall approve those goals and objectives as appropriate.

16.4 Executive Compensation Policy

The Board shall receive recommendations of the HRC Committee and make such determinations as it considers appropriate with respect to:

- (a) Chief Executive Officer's compensation level;
- (b) senior officer (other than the Chief Executive Officer) compensation;
- (c) Director compensation;
- (d) incentive-compensation plans;
- (e) equity-based plans; and
- (f) policies relating to the determination and payment of bonuses.

17. OVERSIGHT OF THE OPERATION OF THE BUSINESS

17.1 Risk Management

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board shall identify the principal risks of the Corporation's business and satisfy itself as to the implementation of appropriate systems to manage these risks.

17.2 Strategic Planning Process

The Board shall adopt a strategic planning process and shall approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation's business.

17.3 Internal Control and Management Information Systems

The Board shall review the reports of management and the Audit Committee concerning the integrity of the Corporation's internal control and management information systems. Where appropriate, the Board shall require management (overseen by the Audit Committee as appropriate) to implement changes to such systems to ensure the integrity of such systems.

- 17.4 [Disclosure Policy and Feedback Process](#)
- (a) The Board shall adopt a disclosure policy for the Corporation for communicating with shareholders of the Corporation, the investment community, the media, governments and their agencies, employees and the general public, having regard to the recommendations of the Corporate Governance Committee and the Disclosure Committee. Such policy shall be developed with reference to the requirements and recommendations of applicable securities laws and the Stock Exchange. The Board shall consider, among other things, the recommendations of management and the Corporate Governance Committee and the Disclosure Committee of the Corporation with respect to this policy.
- (b) The Board shall establish a process pursuant to which the Board can receive feedback from securityholders.
- 17.5 [Financial Statements](#)
- (a) The Board shall receive regular reports from the Audit Committee with respect to the integrity of the Corporation's financial reporting system and its compliance with all regulatory requirements relating to financial reporting.
- (b) The Board shall review the recommendation of the Audit Committee with respect to the annual financial statements of the Corporation to be delivered to shareholders of the Corporation. The Board shall review and approve the Corporation's financial statements and related financial information.
- (c) The Board shall appoint, subject to the approval of shareholders of the Corporation, and remove external auditors of the Corporation and approve such external auditors' compensation.
- 17.6 [Capital Management](#)
- The Board shall receive regular reports from management on the structure and management of the Corporation's capital.
- 17.7 [Pension Plan Matters](#)
- The Board shall receive and review reports from management and from the HRC Committee covering administration, investment performance, funding, financial impact, actuarial reports and other pension plan related matters.
- 17.8 [Code of Business Conduct and Ethics](#)
- (a) [Adoption of Code of Business Conduct and Ethics](#). The Board will adopt a Code of Business Conduct and Ethics for the Corporation (the "**Code**") having regard to the recommendations of the Corporate Governance Committee. In adopting this Code, the Board will consider the recommendations of the Corporate Governance Committee concerning its compliance with applicable legal and

Stock Exchange listing requirements and with such recommendations of relevant securities regulatory authorities and Stock Exchange as the Board may consider appropriate.

- (b) **Conflicts of Interest.** The Board, after consulting with counsel if necessary, will determine on a case-by-case basis whether conflicts of interest or other matters exist that may affect a Director's independence, with the objective, among others, that the independent Directors maintain their independence and, when voting on an issue, are not conflicted with respect to that issue. In addition to the requirements of the Code and subject to the exceptions and provisions contained in the CBCA, the Board expects that each Director will disclose to the Chair of the Corporate Governance Committee actual or potential conflicts, and matters that may affect his or her independence, to further these objectives, and will recuse himself or herself from any discussion or decision on any matter in which the Director may have an actual or potential conflict of interest. In addition, not less than annually, each Director will affirm the existence or absence of actual or potential conflicts, and other matters that may affect a Director's independence, and such affirmation will be reported to the Corporate Governance Committee.
- (c) **Compliance and Disclosure.** The Board will direct the Corporate Governance Committee to monitor compliance with the Code and recommend disclosures with respect thereto. The Board will consider any report of the Corporate Governance Committee concerning these matters, and will approve, if determined appropriate, the disclosure of the Code.
- (d) **Waivers.** The Board shall consider any report of the Corporate Governance Committee with respect to any waiver granted to a Director or senior officer of the Corporation from complying with the Code and shall approve or reject such request as it deems appropriate.

18. NOMINATION OF DIRECTORS

18.1 Nomination and Appointment of Directors

- (a) Subject to the terms of any agreement between the shareholders of the Corporation and the Corporation, the Board shall nominate individuals for election as Directors by the shareholders of the Corporation, having regard to the recommendations of the HRC Committee.
- (b) Subject to the terms of any agreement between the shareholders of the Corporation and the Corporation, the Board shall adopt a process (having regard to the recommendations of the HRC Committee) pursuant to which the Board shall:
 - (i) consider what competencies and skills the Board, as a whole, should possess;
 - (ii) assess what competencies and skills each existing Director possesses;

- (iii) consider the personality and other qualities of each Director; and
- (iv) consider the appropriate size of the Board, with a view to facilitating effective decision-making.

19. **BOARD EFFECTIVENESS**

19.1 **Position Descriptions**

The Board shall review and, if determined appropriate, approve the recommendations of the HRC Committee concerning formal position descriptions for:

- (a) the chair of each committee of the Board; and
- (b) the Chief Executive Officer.

19.2 **Director Orientation and Continuing Education**

The Board shall review and, if determined appropriate, approve the recommendations of the Corporate Governance Committee concerning:

- (a) a comprehensive orientation program for new Directors; and
- (b) a continuing education program for all Directors.

19.3 **Board, Committee and Director Assessments**

The Board shall adopt a process having regard to the recommendation of the HRC Committee for assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis.

19.4 **Annual Assessment of the Board**

Each year, the Board shall assess its performance and effectiveness and review this Mandate in accordance with the process established by the HRC Committee.

Approved by the Board of Directors on April 21, 2015, as amended on August 11, 2015.