



**CHARTER OF THE HUMAN RESOURCES AND  
COMPENSATION COMMITTEE  
STINGRAY DIGITAL GROUP INC.**

# CHARTER OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE OF STINGRAY DIGITAL GROUP INC.

## GENERAL

### 1. PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

#### 1.1 Purpose

The Committee's purpose is to assist the Board in Director nomination and executive and Director compensation matters. The Committee's purpose includes responsibility for:

- (a) identifying individuals qualified to become Directors, consistent with criteria established by the Board;
- (b) recommending to the Board the director nominees for the next annual meeting of shareholders;
- (c) overseeing the evaluation of the Board and senior management;
- (d) overseeing and recommending for approval by the Board, the Corporation's executive compensation principles, policies, programs, grants and equity-based incentives and processes;
- (e) reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation, evaluating the Chief Executive Officer's performance in light of these goals and objectives and, either as a committee or together with other independent Directors, consider and recommend all forms of compensation for the Chief Executive Officer and for the Board Chair;
- (f) reviewing executive compensation disclosure before it is publicly disclosed; and
- (g) 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) “**Board Chair**” means the chair of the Board;
- (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) “**Chief Executive Officer**” means the President and Chief Executive Officer of the Corporation;
- (g) “**Committee**” means the Human Resources and Compensation Committee of the Board;
- (h) “**Committee Chair**” means the chair of the Committee;
- (i) “**Corporate Secretary**” means the Corporate Secretary of the Corporation;
- (j) “**Corporation**” means Stingray Digital Group Inc.;
- (k) “**CRTC Direction**” means the direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the *Broadcasting Act* (Canada); and
- (l) “**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 (as may be amended from time to time) and to the applicable provisions of the CBCA, and any other applicable legislation.

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

### 3. ESTABLISHMENT AND COMPOSITION OF COMMITTEE

#### 3.1 Establishment of the Human Resources and Compensation 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 human resources and compensation matters.

- (b) *Independence of Members.* Each 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 Committee Chair from the members of the Committee. The Committee 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 Committee 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 Board Chair 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 Board Chair, 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 Board Chair, 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 Committee 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 Committee Chair is not so made, the Director who is then serving as Committee Chair shall continue as Committee 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 Committee 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. 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 and consultants of the Corporation 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.

### 6. AUTHORITY OF COMMITTEE

#### 6.1 Retaining and Compensating Advisors

The Committee shall have the sole authority to retain and terminate any firm engaged to assist it in (a) identifying Director candidates and (b) the evaluation of Directors, Board Chair, Chief Executive Officer or senior executive compensation, and 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 firm 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. NOMINATION OF NEW DIRECTORS

#### 8.1 Evaluating Competencies and Skills

The Committee shall provide recommendations to the Board with respect to the following matters:

- (a) the competencies and skills that the Board, as a whole, should possess;
- (b) the competencies and skills each existing Director possesses and which the Board as a whole therefore possesses; and
- (c) the personality and other qualities of each Director, as these may ultimately determine the boardroom dynamic.

#### 8.2 Identifying and Recommending New Nominees

The Committee shall, in consultation with the Board Chair and the Chief Executive Officer and subject to the terms of any agreement between the shareholders of the Corporation and the Corporation, annually or as required, identify the individuals qualified to become new Directors and recommend to the Board new nominees for election by shareholders or for appointment by the Board to fill any vacancy on the Board. In making its recommendations to the Board, the Committee shall consider:

- (a) the criteria relating to tenure as Director, such a limitations on the number of times a Director may stand for re-election, and the continuation of directors in an honorary or similar capacity;
- (b) the criteria for retention of Directors unrelated to age or tenure, such as attendance at Board and committee meetings, health or the assumption of responsibilities which are incompatible with effective Board membership;
- (c) that not less than 25% of the Directors must be “resident Canadians” as defined in the CBCA;
- (d) that not less than 80% of the Directors must be Canadian (unless the provisions contained in or made under 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);

- (e) any other selection criteria approved by the Board from time to time, including the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (f) the competencies and skills that the Board considers each existing Director to possess;
- (g) the competencies and skills each new nominee would bring to the boardroom; and
- (h) whether or not each new nominee can devote sufficient time and resources to his or her duties as a Director.

### 8.3 Exception

If the Corporation is legally required by contract or otherwise to provide third parties with the right to nominate Directors, the Committee shall have no responsibility for the selection and nomination of such Directors.

## 9. APPOINTMENT OF EXECUTIVE OFFICERS

### 9.1 Identifying and Recommending New Executive Officers

The Committee shall consider and recommend for approval by the Board the appointment and/or termination of the Chief Executive Officer and all other executive officers of the Corporation.

### 9.2 Succession Plan

The Committee shall review with the Chief Executive Officer management's assessment of existing management resources and plans for ensuring that qualified personnel will be available as required for succession of the Chief Executive Officer, as may be required.

### 9.3 Requirement for Chief Executive Officer

In accordance with the terms of the Broadcasting Act, the Committee shall ensure that all Chief Executive Officer nominees for consideration and approval by the Board are Canadian, unless the provisions contained in or made under the Broadcasting Act relating to the ineligibility of a non-Canadian to be the chief executive officer of a corporation holding a licence to operate a broadcasting undertaking are repealed and not superseded or replaced with other similar provisions.

## 10. BOARD EFFECTIVENESS & ASSESSMENT PROCESS

### 10.1 Delineating Board and Management Responsibilities

The Committee shall:

- (a) develop and recommend to the Board position descriptions for Directors, including:
  - (i) the chair of each committee of the Board; and
  - (ii) the Board Chair; and
- (b) together with the Chief Executive Officer, develop and recommend to the Board a position description for the Chief Executive Officer, including:
  - (i) defining the limits of management's responsibilities; and
  - (ii) overall corporate goals and objectives that the Chief Executive Officer is responsible for meeting, taking into consideration goals and objectives relevant to Chief Executive Officer compensation approved by the Committee.

### 10.2 Succession Planning

The Committee shall make recommendations to the Board with respect to management succession including:

- (a) policies and principles for Chief Executive Officer selection and performance review with respect to potential successors to the Chief Executive Officer; and
- (b) policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer.

### 10.3 Removal of Directors

The Committee shall recommend to the Board the removal of a Director in exceptional circumstances, such as when: (i) such Director is in a position of conflict of interest, or (ii) the criteria underlying the appointment of such Director has changed.

### 10.4 Special Outside Advisors

The Chair shall consider and, if determined to be appropriate, approve requests from Directors or committees of Directors for the engagement of special outside advisors from time to time, in addition to any right that a Director may have to engage outside advisors under general corporate law.

### 10.5 Board, Committee, Individual Director Assessment

The Committee shall:

- (a) develop and recommend to the Board a process 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, such process to consider:
  - (i) the solicitation and receipt of comments from Directors, as appropriate;
  - (ii) the Board's written charter;
  - (iii) the charter of each committee of the Board;
  - (iv) applicable position description(s) for each individual Director and for the chairs of the Board and of each committee of the Board; and
  - (v) the competencies and skills each individual Director is expected to bring to the Board; and
- (b) be responsible for overseeing the execution of the assessment process approved by the Board and management.

11. **COMPENSATION MATTERS**

11.1 **Compensation of Chief Executive Officer**

The Committee shall:

- (a) review and approve corporate and individual goals and objectives relevant to Chief Executive Officer compensation;
- (b) review and assess annually, in conjunction with the Board, the Chief Executive Officer's performance in light of the corporate and individual goals and objectives referred to in subsection (a) above;
- (c) review the Corporation's compensation discussion & analysis and related executive compensation disclosure for inclusion in the Corporation's public disclosure documents, in accordance with applicable rules and regulations; and
- (d) either as a Committee or together with other independent Directors, as directed by the Board, determine and approve the Chief Executive Officer's compensation level based on their respective evaluation.

11.2 **Non-Chief Executive Officer Compensation Matters**

The Committee shall

- (a) meet with the Chief Executive Officer to discuss goals and objectives of the other senior executives of the Corporation, namely the Board Chair, any executives in the offices of Chief Financial Officer of the Corporation, Vice President of the Corporation, Chief Operating Officer of the Corporation or any senior executives of the Corporation having comparable positions, including consultants who perform the services of an officer, as may be specified by the Board (collectively, the "**Senior Executives**");
- (b) in consultation with the Chief Executive Officer, make recommendations to the Board with respect to Senior Executive compensation;
- (c) in consultation with the Chief Executive Officer, make recommendations to the Board with respect to compensation of the Board Chair;
- (d) review, with the Chief Executive Officer, the annual performance assessments of the Senior Executives, and report to the Board annually on such assessments;

- (e) make recommendations to the Board with respect to:
  - (i) non-Chief Executive Officer and non-Senior Executive compensation;
  - (ii) incentive compensation plans;
  - (iii) equity-based plans;
  - (iv) policies relating to the determination and payment of bonuses; and
  - (v) the Corporation's exposure to risks related to executive compensation policies and practices, if any, and identify compensation policies and practices that mitigate any such risk.

### 11.3 Long-Term Incentives

In determining the long-term incentive component of the compensation of the Chief Executive Officer and the Senior Executives, the Committee shall consider:

- (a) the Corporation's performance and relative shareholder return;
- (b) the value of similar incentive awards to executive officers at comparable companies; and
- (c) the awards given to the executive officers of the Corporation in past years.

### 11.4 Review of Bonuses Paid

The Committee will monitor the administration of the Corporation's executive officer incentive and other compensation related plans, including determining the number of options to be granted and the time or times when such options shall vest, and shall report to the Board annually on whether incentives and bonuses awarded or paid to the Chief Executive Officer and each of the other executive officers (including consultants who perform the services of an officer) have been awarded or paid in accordance with the applicable plans.

## 12. DISCLOSURE AND REPORTING TO THE BOARD

### 12.1 Executive Compensation Disclosure

The Committee shall review and recommend to the Board for approval any public disclosure of information relating to the Corporation's executive

compensation, including the disclosure to be included in the Corporation's information circular.

12.2 Report of the Compensation Committee

The Committee shall prepare and recommend to the Board for approval the report of the Committee to be included in the Corporation's information circular.

12.3 Risk Monitoring

The Committee shall review, monitor, report, and where appropriate, provide recommendations to the Board on the Corporation's exposure to risks related to executive compensation policies and practices, if any, and identify compensation policies and practices that mitigate any such risk.

13. ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by it and adopted by the Board (referred to in Section 10.5 above) for all committees of the Board for assessing the performance and effectiveness of the Committee.

14. 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.**