

<b>STRAD</b>	<b>DIRECTORS' MANUAL</b>		
	<b>GOVERNANCE COMMITTEE CHARTER</b>		Revision No. 3
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**The Board of Directors (the “Board” or “Directors”) of Strad Inc. (the “Corporation”) has established a Governance Committee (the “Committee”) that shall have the mandate and responsibilities set out in this Charter.**

### **MANDATE**

The mandate of the Committee is to assist the Board in fulfilling its responsibilities with respect to all matters relating to the stewardship role of the Board in respect to the management of the Corporation, including:

- (a) Board size and skills including the candidate selection process and orientation of new members;
- (b) the Board composition;
- (c) selection of the CEO;
- (d) monitoring and enhancing the Corporation’s approach to governance and environmental principles, policies and guidelines;
- (e) assisting the Board in developing the Board and committee mandates for approval by the Board; and
- (f) ensuring that the Board can function independently of management and ensure that the Chairs of the various committees of the Board shall have unimpeded access to management.

### **MEMBERSHIP**

The Committee shall be constituted as follows:

- (a) The Committee shall be composed of not less than three independent directors, as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (b) Members shall be appointed annually from among the members of the Board. A member of the Committee shall cease to be a member of the Committee upon ceasing to be a director of the Corporation.

## **SPECIFIC DUTIES AND RESPONSIBILITIES**

Subject to the powers of the Board and in addition to any other duties assigned to the Committee by the Board, the Committee shall have authority and responsibility for the following matters.

1. To report regularly and on a timely basis to the Board on matters coming before the Committee relating to governance and environmental policies and other activities of the Corporation for consideration and the manner of disposition.
2. Following consultation with the Chair of the Board,
  - (a) consider the membership needs of the Board and its committees;
  - (b) make recommendations with a view to fulfilling such needs; and
  - (c) ensure that the directors collectively have the competencies and skills, and sufficient time that the Board considers to be necessary for the Board as a whole to possess.
3. Review at least annually the composition of the Board and its committees, and make recommendations to the Board designed to ensure that appropriate numbers of directors sit on the Board and its committees.
4. Assess the performance and effectiveness of the Board as a whole, the chair of the Board, the committees of the Board, the Chairs of the committees, and the contribution of individual directors, including the appropriate size of the Board, and make such recommendations as the Committee may consider appropriate.
5. Following consultation with the Chair of the Board, identify, evaluate and make recommendations to the Board regarding:
  - (a) appropriate committees of the Board to be established and the charter for each committee; and
  - (b) the Chair of each committee of the Board.
6. Review and recommend for approval by the Board the descriptions contained in any public disclosure documents concerning governance matters in respect of compliance with applicable legislation, regulatory and stock exchange requirements and guidelines.
7. Be available as a resource to review, approve and report to the Board on concerns of individual directors about matters that are not readily or easily discussed at meetings of the Board.
8. Consider and, if thought fit, approve requests from directors or committees of directors for the engagement of special advisors from time to time in respect of matters related to corporate governance, or other matters related to the Committee's mandate.

9. Develop and recommend a set of corporate governance principles applicable to the Corporation, including:
  - (a) the implementation of a Timely Disclosure Policy;
  - (b) Confidentiality and Insider Trading Policy; and
  - (c) Employee Code of Conduct (together the “Codes”) and the monitoring of the content of such Codes, any waivers granted and the disclosure of such waivers.
10. Prepare, review and approve the annual corporate governance report to be made in the proxy circular prepared in connection with the Annual Meeting of Shareholders describing the corporate governance practices of the Corporation as may be required under applicable securities laws and the rules of any stock exchange on which the Corporation’s shares are listed.
11. Consider, as required, candidates for appointment of the office of the Chair of the Board and the Board committees.
12. Consider, as required, candidates for appointment of the office of Chief Executive Officer.
13. Periodic review of the directors and officers third-party liability insurance coverage.
14. Review annually and report to the Board on the adequacy of the Committee’s Charter.
15. Review the framework for delegating authority from the Board to management.
16. The Committee will oversee compliance with the Corporation’s Employee Code of Conduct by officers of the Corporation, authorize any waiver granted in connection with this policy, and confirm with management the appropriate disclosure of any such waiver.
17. The Committee will oversee compliance by members of the Board with the Corporation’s Board Code of Conduct (the “**Board Code**”), monitor compliance by directors, authorize any waiver granted in connection with this policy, and oversee the appropriate disclosure of any such waiver.
18. The Committee will ensure that any complaints of any members of the Board shall be addressed, followed up and documented.

**THE COMMITTEE WILL REVIEW, APPROVE AND REPORT TO THE BOARD ON:**

19. The orientation process for new directors and plans for the ongoing development of existing Board members.
20. The establishment of appropriate processes for the regular evaluation of the effectiveness of the Board, its committees and its members.
21. Annually, in conjunction with the Chair of the Board, the performance of individual directors, the Board as a whole, and committees of the Board.

22. Annually, the performance evaluation of the Chair of the Board and the Chair of each Board committee.
23. CEO succession planning.

#### **ENVIRONMENTAL REVIEW**

24. It is the duty of the directors to impose a duty of reasonable care to prevent the Corporation from not complying with Environmental Regulations.
25. While it is the responsibility of the Human Resources Committee to review and monitor environmental policies and activities of the Corporation on behalf of the Board to ensure that the Corporation is in compliance with environmental laws and legislation, the Governance Committee shall, from time to time, further ensure that the Corporation has established compliance policies and programs to fulfill such regulatory requirements.

#### **ADMINISTRATIVE MATTERS**

26. The quorum for meetings of the Committee shall be two members. Business may be transacted by the Committee at a meeting of its members at which a quorum is present or by a resolution in writing signed by all the members of the Committee.
27. Any member of the Committee may be removed or replaced at any time by the Board. If a vacancy exists on the Committee, the remaining members may exercise all of the powers of the Committee so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold office until the close of the next annual meeting of shareholders following the date of appointment as a member or until a successor is duly appointed.
28. The Committee may invite such officers, directors and employees of the Corporation and other persons as it may see fit from time to time to attend at meetings of the Committee and to assist thereat in the discussion of the matters being considered by the Committee.
29. The Committee shall determine the time and place at which the meetings of the Committee shall be held and the procedure for calling and conducting business at such meetings, having regard to the by-laws of the Corporation.
30. The chair of the Committee shall preside at all meetings of the Committee. In the absence of the chair, the members of the Committee present at a meeting shall appoint one of those members to act as chair for that particular meeting.
31. The members of the Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its subsidiaries, and to discuss such books and records as are in any way related to the corporate governance of the Corporation with the officers and employees of the Corporation and its subsidiaries.
32. Minutes of Committee meetings shall be recorded and maintained. The chair of the Committee shall report to the Board on the activities of the Committee and the minutes of Committee meetings will

be circulated to the directors who are not members of the Committee or shall be made available at the next meeting of the Board which follows a Committee meeting.

33. The Committee shall have the authority to:

- (a) engage independent counsel and other advisers that it determines to be necessary to permit it to carry out its duties; and
- (b) set and pay the compensation for any advisers engaged by the Committee.