

	<b>DIRECTORS' MANUAL</b>		
	<b>HUMAN RESOURCES COMMITTEE CHARTER</b>		Revision No. 4
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**The Board of Directors (the “Board” or “Directors”) of Strad Inc. (the “Corporation”) has established a Human Resources 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:

- (a) appointing and compensating executive officers and approving and reporting to the Board respecting the Corporation’s human resources policies for executive officers;
- (b) assisting the Board in fulfilling its responsibilities with respect to determining the compensation of the directors;
- (c) overseeing the administration of the Corporation’s compensation and benefits plans;
- (d) ensuring that employees are provided with a safe environment in which to perform their duties; and
- (e) monitoring and overseeing the Corporation’s policies and procedures for ensuring compliance by the Corporation with health and safety regulatory requirements.

### **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.
- (c) The Chief Executive Officer (“**CEO**”) of the Corporation and, to the extent the Chair of the Board is not otherwise a member of the Committee, the Chair, and all other directors who are not members of the Committee may attend all meetings of the Committee in an ex-officio capacity and will not vote. The CEO will not attend in-camera sessions.

## **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.

### ***Executive Officers***

1. Review and recommend to the Board the appointment of all the direct executive reports of the CEO, regardless of their base salary. Together with the CEO, this group shall hereinafter be referred to as the “**Senior Management Team**” or “**SMT**”;
2. Review and approve the appointment of all members of all the executive officers of subsidiary corporations who are not otherwise executive officers of the Corporation (the “**Other Executive Officers**”).
3. Review and approve the hiring of individuals with an annual base salary of \$250,000 or greater.
4. Review, approve and report to the Board annually on management’s succession plans for members of SMT, excluding the CEO, including specific development plans and career planning for potential successors.
5. Review and recommend to the Board for approval the general compensation philosophy and guidelines for SMT members, and the Other Executive Officers. This includes incentive plan design and other remuneration.
6. Approve and report to the Board on adjustments to compensation for each member of SMT, including salary, incentives, benefits and other perquisites.
7. Conduct the performance evaluation of the CEO, including performance against corporate goals and objectives.
8. Approve and report to the Board on any material changes to the perquisite plan for SMT members.
9. Review and report to the Board prior to any public disclosure on executive compensation as required in public disclosure documents.
10. Annually review compensation and benefits for the directors of the Corporation, and any of its subsidiaries, and for the Chair of the Board and make a recommendation to the Board.
11. Establish compensation and recruitment policies and practices for the Corporation’s SMT and the Other Executive Officers, including establishing levels of salary, incentives, benefits and other perquisites provided to executives of the Corporation and its subsidiaries.

## ***Compensation and Benefit Plans***

12. Review and recommend to the Board for approval the establishment of any employee incentive or share plan.
13. The following plans have been approved and established by the Board, and the Committee will have general responsibility for the administration, amendment (other than amendments which are material or which require regulatory or shareholder approval), and making of grants which under the plans, and without limiting the foregoing, will have the following responsibilities with respect thereto:

### ***Retention Award Plan***

Responsible for reporting and making recommendations to the Board on all matters relating to the Retention Award Plan (“**RAP**”) including:

- i. Incentive Award grants;
- ii. determining the Fair Market Value of the Common Shares on any date;
- iii. determining the Service Providers to whom, and the time or times at which Incentive Awards shall be granted and shall vest;
- iv. determining the number of Incentive Awards to be granted to any Service Provider;
- v. amending and rescinding terms, conditions, rules or regulations relating to the RAP or any outstanding Incentive Awards;
- vi. interpreting the RAP;
- vii. determining the terms and provisions of Grant Agreements (which need not be identical) entered into in connection with Incentive Awards; and
- viii. making all other determinations deemed necessary or advisable for the administration of the RAP.

### ***Share Option Plan***

Responsible for reporting and making recommendations to the Board on all matters relating to the Stock Option Plan (“**SOP**”) including:

- i. Stock Option grants to the SMT; while the SMT makes recommendations to the Committee for all levels below the SMT, which are reviewed and approved by the Committee and recommended to the Board;
- ii. determining the exercise price, vesting terms, limitations, restrictions, and conditions upon grant;
- iii. determining the Participants to whom, and the time or times at which Stock Options shall be granted;
- iv. determining the number of Stock Options to be granted to any Participant;
- v. amending and rescinding terms, conditions, rules or regulations relating to the SOP or any outstanding Stock Option grants;
- vi. interpreting the SOP;
- vii. determining the terms and provisions of Stock Option grant agreements (which need not be identical) entered into in connection with Stock Option grants; and
- viii. making all other determinations deemed necessary or advisable for the administration of the SOP.

14. Review and recommend to the Board for approval the establishment of any minimum director, executive officer or employee share ownership requirements.

#### **HEALTH AND SAFETY MANDATE**

15. To review and monitor health and safety policies and activities of the Corporation on behalf of the Board to ensure that the Corporation is in compliance with health and safety laws and legislation.
16. Review health and safety compliance issues and incidents of non-compliance to determine, on behalf of the Board, that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard.
17. To review the principal health and safety risks and impacts and management's recommendations as to the sufficiency of resources available for carrying out the actions and activities recommended to address such risks and impacts.
18. To ensure the Committee receives reports from the SMT on a quarterly basis, and at least annually to the Board on health and safety issues and on the state of compliance with applicable laws and legislation and adherence to such policies of the Corporation.

#### **ENVIRONMENTAL MANDATE**

19. 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.
20. Review environmental compliance issues and incidents of non-compliance to determine, on behalf of the Board, that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard.
21. To review the principal environmental risks and impacts and management's recommendations as to the sufficiency of resources available for carrying out the actions and activities recommended to address such risks and impacts.
22. To report on a quarterly basis to the Committee, and at least annually to the Board on environmental issues and on the state of compliance with applicable laws and legislation and adherence to the policies of the Corporation.

#### **ADMINISTRATIVE MATTERS**

23. 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.
24. 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.

25. 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.
26. 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.
27. 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.
28. 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 human resources of the Corporation with the officers and employees of the Corporation and its subsidiaries.
29. 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.
30. 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.
31. Review and assess the adequacy of the Committee Charter annually and submit such amendments as the Committee proposes to the Governance Committee.