



**Liberty Defense Holdings, Ltd.**

**Charter of the Corporate Governance & Nominating Committee**

*Approved by the Board on [--]*

**1. Purpose**

The purpose of this charter (the “**Charter**”) is to stipulate the mission, composition and duties of the Corporate Governance & Nominating Committee (the “**Committee**”) of Liberty Defense Holdings, Ltd. (the “**Company**”).

**2. Membership**

The Committee shall consist of at least three members, with a majority of such members deemed by the board of directors of the Company (the “**Board**”) to be “independent” (as defined in Section 1.4 of National Instrument 52-110 – *Audit Committees*) (“**NI 52-110**”) and who meet the independence requirements of the Nasdaq Stock Market LLC (“**Nasdaq**”), except as otherwise permitted. The Committee shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by a majority vote of the Board. No member of the Committee shall be removed except by a majority vote of the Board. The Board shall appoint the Chair of the Committee. The Chair of the Committee may, at his/her discretion, appoint a secretary of the Committee, who does not need to be a member of the Committee.

**3. Responsibilities**

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

**3.1 Board and Committee Nominees**

- The Committee shall oversee searches for and identify qualified individuals for membership on the Board.
- The Committee shall recommend to the Board criteria for Board and Board committee membership and shall recommend individuals for membership on the Board and its committees. In doing so, the Committee shall:
  - review candidates’ qualifications for membership on the Board or a committee of the Board (including making a specific determination as to the independence of each candidate) based on the criteria approved by the Board (and taking into account the enhanced independence, financial literacy and financial sophistication standards that may be required under law, NI 52-110 or Nasdaq rules for Audit Committee and Compensation Committee membership purposes);
  - in evaluating current directors for re-nomination to the Board or reappointment to any Board committees, assess the performance of such directors;

- periodically review the composition of the Board and its committees in light of the current challenges and needs of the Board, the Company and each committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background and experience;
- periodically review, as appropriate, the service of directors on the boards of other public companies with consideration to the substantial time commitment required of directors and make such recommendations to the Board as it may deem advisable; and
- consider rotation of committee members and committee chairs, as appropriate.
- The Committee shall oversee the preparation of, review and approve the corporate governance disclosure to be included in the management proxy circular, annual information form and other applicable public disclosure of the Company, pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and Form 58-101F1 – *Corporate Governance Disclosure*.
- The Committee shall oversee the orientation of new directors and continuing education for current directors.

### **3.2 Performance Evaluation**

- At least annually, the Committee shall lead the Board in a self-evaluation to determine whether it and its committees are functioning effectively. The Committee shall oversee the evaluation process and report on such process and the results of the evaluations, including any recommendations for proposed changes, to the Board. The collective evaluation shall be presented by the Chair of the Committee to the full Board for discussion.
- At least annually, the Committee shall review the evaluations prepared by each Board committee of such committee's performance and consider any recommendations for proposed changes to the Board.

### **3.3 Succession Planning**

- The Committee shall periodically review the Company's Board succession planning, in the event of the incapacitation, retirement or removal of members of the Board.
- The Committee shall, in consultation with management, periodically review and report to the Board on the Company's management succession planning, including policies for Chief Executive Officer, President and Chief Financial Officer selection and succession in the event of the incapacitation, retirement or removal of the Chief Executive Officer, President or Chief Financial Officer, and evaluations of, and development plans for, any potential successors to the Chief Executive Officer, President or Chief Financial Officer.

### **3.4 Corporate Governance and Other Matters**

- The Committee shall monitor and assess developments and trends in corporate governance to the extent that these do not have an impact on the activities and tasks of the Audit Committee or the Compensation Committee.

- The Committee shall review proposals to be made to the Board for the amendment of the Company's articles of incorporation and any other charter, rules or regulations.

### **3.5 Reporting to the Board**

- The Chair of the Committee shall report and update the Board at the next Board meeting on the Committee's activities, decisions taken and considerations which led to such decisions. Important findings arising from the Committee's activities, which are urgent and should be known by the Chair of the Board, must be reported immediately by the Chair of the Committee to the Chair of the Board. Upon request of the Chair of the Board, the Chair of the Committee shall report on any other issue.
- At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.
- The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

## **4. Authority**

The Committee is authorized (without seeking further Board approval) to:

- collect any information and assistance from within the Company that is needed to perform its functions, including reasonable access to the Company's books, records and personnel;
- request any officer or employee of the Company or the Company's outside counsel to meet with any members of, or advisers to, the Committee;
- retain and terminate any advisers, including search firms to identify director candidates and legal counsel, at the Company's costs and whose fees and other retention terms the Committee has the sole authority to approve; and
- delegate its authority to subcommittees or the Chair of the Committee when it deems it to be appropriate and in the best interests of the Company, subject to ensuring adequate reporting by the subcommittee to the Committee or the Chair of the Committee.

The Committee shall have available appropriate funding from the Company as determined by the Committee for payment of (a) compensation to any advisers employed by the Committee and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## **5. Procedures**

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter. The Chair of the Committee shall preside at each meeting and, in the absence of the Chair, one of the other members of the Committee shall be designated as the acting Chair of the meeting. The Chair of the Committee, in consultation with the other committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this Charter.

The Committee shall keep minutes of its meetings and report the same to the Board when required and shall observe such procedures as are prescribed by the Board.

A majority of members of the Committee present in person or by means of a conference telephone, video or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. The action of a majority of members at a meeting at which a quorum is present will be the action of the Committee.

**6. Amendments**

This Charter may be amended at any time by resolution of the Board.