

**CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE**  
**(the “Committee”)**  
**OF THE BOARD OF DIRECTORS OF LEXARIA BIOSCIENCE CORP.**

**1. Purpose and Formation**

The Committee is established by the Board of Lexaria Bioscience Corp. (the “Company”) pursuant to Article II, Section 9 of the Company’s Amended and Restated Bylaws with the purpose of assisting the Board of Directors in fulfilling its responsibilities by: (i) being satisfied that corporate governance guidelines are adopted, disclosed and applied including director qualification standards, director responsibilities, director access to management and independent advisors, director compensation, director orientation and continuing education, and annual performance evaluation of the Board; (ii) identifying individuals qualified to become new Board members and recommending to the Board the nominees for each annual meeting of shareholders of the Corporation; and (iii) such other matters delegated to the Committee by the Board.

**2. Composition and Qualification**

- (a) The Committee shall be comprised of three or more directors as determined by the Board, all of whom shall meet the independence requirements prescribed by NASDAQ Rule 5605(a)(2) or such other regulatory institution under which the Company is governed.
- (b) The members of the Committee shall be appointed by the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are appointed. Unless a Chair is appointed by the Board, the members of the Committee may designate a Chair by a majority vote of all the Committee members.
- (c) The Committee may invite, from time to time, such person as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Committee. However, any such persons invited may not vote at any meeting of the Committee.
- (d) The Board may, at any time, remove any member of the Committee at its discretion and may accept the resignation of any member of the Committee. Vacancies at any time occurring on the Committee shall be filled by the Board.

**3. Meetings and Procedure**

- (a) The Committee shall meet at least once annually, or more frequently as circumstances dictate. Meetings of the Committee may be called by any member of the Committee and may occur at such times and places as the Committee deems necessary to fulfill its responsibilities and may occur in person, via telephone, via video conference or in such other manner as agreed to by the Committee members, which enables all participants to communicate with each other simultaneously.

- (b) The Committee may fix its own procedure at meetings and for the calling of meetings except as may be otherwise provided by the Board.
- (c) A quorum for the transaction of business at a Committee meeting shall be a majority of the Committee members. All decisions and recommendations made by the Committee shall be made by a majority vote of the members present at the meeting.
- (d) The Committee shall have the authority to delegate any of its responsibilities to individual members and subcommittees as the Committee may deem appropriate in its sole discretion.
- (e) Notice of meetings shall be given by letter, facsimile, email or telephone not less than 24 hours before the time fixed for the meeting. Notice of meetings shall state the date, the place and the hour at which such meetings will be held. Members may waive notice of any meeting.
- (f) Actions of the Committee may be taken in person at a meeting or in writing without a meeting. Actions taken at a meeting, to be valid, shall require the approval of the majority of the members present and voting and minutes shall be prepared to evidence such approvals. Actions taken in writing, to be valid, shall be signed by all members of the Committee. The Committee meetings shall accurately record the significant discussions of, and decisions made by, the Committee, including all recommendations to be made by the Committee to the Board and shall be distributed to Committee members as well as to all the directors of the Corporation, with copies to the Chief Executive Officer of the Corporation.
- (g) The Committee, through its Chair, shall report to the Board on all proceedings and deliberations of the Committee at the first subsequent meeting of the Board, and at such other times and in such manner as the Board may require or as the Committee in its discretion may consider advisable.
- (h) To carry out its duties, the Committee will have access to independent advisors at the expense of the Corporation as well as having access to data and performance information relative to the Corporation. The Committee shall be free to choose advisors as it deems appropriate. These advisors will be given access to management and the work carried out by management for presentation to the Committee.

#### **4. Responsibilities and Duties**

- (a) In order to fulfill its responsibilities and duties with respect to Corporate Governance, the Committee shall:
  - i. Develop and review criteria regarding the composition of the Board and committees of the Board, such as size, proportion of inside to outside directors and qualifications including relatedness and independence and make recommendations to the Board.
  - ii. Annually assess the effectiveness of the Board as a whole, the committees of the Board, the contribution of individual directors, and assessment of directors on an ongoing basis.

- iii. Be satisfied that appropriate structures and procedures are in place so that the Board can function independently of management. To this end, arrange, at scheduled meetings of the Board, for the external directors to meet for a period of time without management present.
  - iv. As an integral element of the process for appointing new directors, put in place an orientation and continuing education program for new recruits to the Board.
  - v. Be satisfied that the Corporation complies with applicable legislation including directors and officers' compliance.
  - vi. Make recommendations to the Board as deemed appropriate with respect to the monitoring, adoption and disclosure of corporate governance guidelines in effect from time to time and review those guidelines once a year.
- (b) In order to fulfill its responsibilities and duties with respect to the composition of Board Committees, the Committee shall:
- i. Recommend to the Board the types, charters and composition of the Board committees.
  - ii. Recommend to the Board the nominees to the chairmanship of the Board committees including periodic rotation of committee assignments and memberships.
  - iii. Review and make recommendations to the Board, as deemed appropriate, with respect to time of service of members on committees, meetings procedures, quorum and notice requirements, records and minutes, resignations and vacancies on committees.
- (c) In order to fulfill its responsibilities and duties with respect to the nomination of Board members, the Committee shall:
- i. Assist the Board in determining what competencies and skills the Board, as a whole, should possess and what competencies and skills each existing director possesses.
  - ii. Assist the Board in determining the appropriate size of the Board, with a view to facilitating effective decision-making.
  - iii. Develop and review criteria regarding personal qualification for Board membership, taking into consideration the following:
    - 1) Whether the candidate is independent pursuant to the requirements of the NASDAQ Capital Market or such other regulatory institution under which the Company is governed;
    - 2) Whether the candidate is accomplished in his/her field and has displayed, both personal and professional traits that are consistent with the image and reputation of the Corporation;
    - 3) Whether the candidate has the ability to read and understand basic financial statements and/or whether the candidate satisfies the criteria for being a "audit committee financial expert" as defined by the Securities and Exchange Commission;

- 4) Whether the candidate has relevant education, experience and expertise and would be able to provide insights and practical wisdom based upon that education, experience and expertise;
  - 5) Whether the candidate has knowledge of the Corporation and the issues facing the Corporation;
  - 6) Whether the candidate will strengthen the Board, as a whole, and remedy any perceived deficiencies in the specific criteria identified herein;
  - 7) Whether the candidate is committed to enhancing stockholder value;
  - 8) Whether the candidate fully understands and appreciates the legal responsibilities of a director and the governance processes of a public company;
  - 9) Whether the candidate is of high moral and ethical character and would be willing to apply sound, objective and independent business judgment, and to assume broad fiduciary responsibility;
  - 10) Whether the candidate has, and would be willing to commit, the required hours necessary to discharge the duties of Board membership;
  - 11) Whether the candidate has any prohibitive interlocking relationships or conflicts of interest;
  - 12) Whether the candidate is able to work collaboratively and effectively with the other Board members and contribute to the independent Board member's working relationship with the executive;
  - 13) Whether the candidate is able to suggest business opportunities to the Corporation;
- iv. Review the Board diversity policy annually and make recommendations to the Board.
  - v. Review the qualifications of any candidates validly nominated by the Corporation's shareholders and determine if they should be recommended to the Board for election.
  - vi. Recommend the slate of nominees for each annual meeting of shareholders.
  - vii. Recommend candidates to fill vacancies on the Board occurring between annual meetings of shareholders.
- (d) In order to fulfill its responsibilities and duties with respect to other related matters, the Committee shall:
- i. Develop and recommend management succession and career development plans with respect to training and developing personnel as potential successors to current executive officer positions.
  - ii. Perform such other corporate governance and nominating committee functions customarily carried out by such committees as well as such other matters which may be referred to it by the Board from time to time.

## **5. Self Assessment**

- (a) The Committee shall review annually this Charter and any of the Committee's mandate and other documents used by the Committee in fulfilling its responsibilities and, if deemed appropriate, make recommendations to the Board for amending same.
- (b) The Committee shall assess the performance of the Committee on an annual basis in accordance with performance assessment guidelines formulated by the Committee.