

**Corporate Governance and Nominating Committee**

1. The Corporate Governance and Nominating Committee (the **Committee**) has the responsibility in general for developing and monitoring Etrion Corporation's (the **Corporation**) approach to corporate governance issues, and without limiting the generality of the foregoing, shall be responsible for the following specific matters:
  - (i) the Corporation's response to applicable rules, policies and guidelines respecting corporate governance matters;
  - (ii) assessing, at least annually, the effectiveness of the board of directors of the Corporation (the **Board**) as a whole, the committees of the Board and the contribution of individual directors on a periodic basis, which will include monitoring the quality of the relationship between management and the Board and recommending any improvements, if necessary. This assessment will consider, in the case of the Board or a committee of the Board, its mandate or charter and, in the case of individual directors, the applicable position description as well as the competencies and skills each individual director is expected to bring to the Board;
  - (iii) ensuring that, where necessary, appropriate structures and procedures are in place to ensure that the Board can function independently of management and to facilitate open and candid discussion among its independent directors;
  - (iv) preparing or reviewing any disclosure that must be made or approved by the Board that relates to corporate governance matters;
  - (v) periodically examining the size of the Board, with a view to determining the impact of the number of directors upon effectiveness, and making recommendations where appropriate to the Board as to any programs the Committee determines to be appropriate to reduce or increase the number of directors to a number which facilitates more effective decision making;
  - (vi) identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders;
  - (vii) reviewing, at least annually, the performance and qualification of existing directors in connection with their re-election;
  - (viii) developing, with the assistance of management, an orientation and education program for new recruits to the Board, where necessary;
  - (ix) considering questions as to the appropriateness of a director engaging an outside advisor at the expense of the Corporation in the circumstances required by applicable policies of the Board;
  - (x) reviewing this Mandate, at least annually, preparing revisions to its provisions where conditions so dictate and submitting such proposed revisions to the Board for approval; and
  - (xi) ensuring that there is an appropriate number of "independent" directors.
  
2. In making its recommendations for nominees for director, the Committee will consider and advise the Board as to:
  - (i) the competencies and skills that the Committee considers to be necessary for the Board, as a whole, to possess;
  - (ii) the competencies and skills that the Committee considers each existing director to possess; and
  - (iii) the competencies and skills each new nominee will bring to the Board.
  
3. In assessing the competencies and skills of each of the existing directors and the competencies and skills of each new nominee, the Committee shall consider, among other things, the following criteria and specify which criteria form the basis of each recommendation:
  - (i) personal qualities and characteristics, accomplishments and reputation in the business community;

- (ii) current knowledge and contacts in the countries and/or communities in which the Corporation does business and in the Corporation's industry sectors or other industries relevant to the Corporation's business; and/or
- (iii) ability and willingness to commit adequate time to Board and committee matters and be responsive to the needs of the Corporation.

#### **4. Recommendation of Directors to Serve as Committee Members**

The Committee shall identify and recommend to the Board individual directors to serve as members of the Audit Committee and the Compensation Committee, as well as the Corporate Governance & Nominating Committee itself.

#### **5. Composition**

The Committee is to be comprised of a minimum of three directors. Unless a chairman of the Committee (the **Committee Chairman**) is appointed by the full Board, the members of the Committee may designate a Committee Chairman by majority vote of the full Committee. All of members of the Committee shall be "independent" directors within the meaning of National Policy 58-201 – *Corporate Governance Guidelines*.

#### **6. Meetings**

The Committee shall meet at the request of the Committee Chairman and, in any event, at least twice annually and shall provide a report of any meeting to the Board at the next Board meeting.

A quorum for the transaction of business at any meeting of the Committee is the presence in person or by telephone or other communication equipment of a majority of the total number of members of the Committee or such greater number as the Committee may by resolution determine. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting will consist of the members then present.

#### **7. Voting**

Unless otherwise specified herein, all decisions of the Committee will require the vote of a majority of its members present at a meeting at which quorum is present. Action 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. Such instruments in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

#### **8. Term of Committee Members**

Each member of the Committee shall be appointed by the Board and serve until a successor is duly appointed, unless the member resigns, is removed or ceases to be a director of the Corporation.

**9. Vacancies**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board, and shall be filled by the Board if the membership of the Committee is fewer than three directors. The Board may remove and replace any member of the Committee. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all of the powers of the Committee.

**10. Absence of Chair**

If the Committee Chairman is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

**11. Secretary of Committee**

At the start of each meeting, the Committee shall appoint a secretary who need not be a director of the Corporation for the purposes of recording the minutes of the meeting. Such minutes will be circulated to all members of the Board.

**12. Place and Notice of Meetings**

Meetings of the Committee are to be held from time to time at such place as the Committee or the Committee Chairman may determine.

Notice of the time and place of every meeting shall be given verbally, in writing or by telephone, fax, e-mail or other means of communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, a member may in any manner waive a notice of a meeting and the attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**13. Agenda**

The Committee Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management of the Corporation. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

**14. Delegation**

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

**15. Attendance of Officers at a Meeting**

At the invitation of the Committee Chairman, one or more officers or employees of the Corporation may, and if required by the Committee shall, attend a meeting of the Committee.

**16. Procedure, Records and Reporting**

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).

**17. Outside Advisors**

The Committee shall have the authority to retain such advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.