

NANOXPLORE INC. (the "Corporation")

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

1. **PURPOSE OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**
(the "CGNC")
- 1.1 The CGNC will assist the Board of Directors in fulfilling its governance/supervisory regarding corporate governance in general, including without limitation: (i) activities relating to the selection, appointment and compensation of qualified, effective directors; (ii) matters relating to the stewardship role of the Board in respect of the management of the Corporation; and (iii) such procedures as may be necessary to allow the Board to carry out its activities independent of management. The CGNC's primary responsibilities and duties are to assist the Board of Directors with its oversight responsibilities by the following:
 - (a) *Board Nominee Identification* - The CGNC shall establish processes for identifying, interviewing and recommending to the Board suitable nominees for appointment to the Board as additional members or to succeed existing Directors, guided by the following general principles in deciding upon such appointments: (i) the specific skill set required by the Board at a given time taking into account the skill sets of the remaining Board members; (ii) relevant industry, academic and employment-related qualifications of the individual; (iii) relevant industry experience; and (iv) alignment with the philosophies of the Corporation, including a commitment to promote the implementation of the policies adopted by the Corporation.
 - (b) *Committee Chair Recommendations* - The CGNC shall recommend to the Board a member of each Board committee to serve as Chair of such committee (including the CGNC).
 - (c) *Board Independence* - The CGNC shall formulate and administer all procedures required to ensure that the Board functions independently of management.
 - (d) *Monitoring Effectiveness* - The CGNC shall monitor the effectiveness of the relationship between management of the Corporation and the Board and the effectiveness of the operation of the Board, Board committees and individual Directors, and recommend and ensure appropriate changes and improvements are made to meet the appropriate level of effectiveness.
 - (e) *Board Stewardship* - The CGNC shall make recommendations to the Board, on an ongoing basis, concerning corporate governance in general and regarding the Board's stewardship role in the management of the Corporation; including the roles and responsibilities of Directors and the recommendation of appropriate policies and procedures to ensure Directors carry out their duties with due diligence and in compliance with all legal requirements. In particular, the Governance Committee will monitor compliance with any rules, regulations or guidelines promulgated by regulatory authorities relating to corporate governance.
 - (f) *Committee Structure and Membership* - The CGNC shall review the roles and mandates of the Board's committees and any recommendations received from the committees, and recommend appropriate changes. It will also assess and provide recommendations on an annual basis to the Board on the effectiveness of the committees of the Board. The CGNC shall consider on a regular basis whether

and to what extent the contribution of each of the Corporation's Directors on the Board's committees should be assessed.

- (g) *Policies* - Review and recommend the adoption of corporate policies such as disclosure and insider trading policies, and other relevant policies associated with ensuring an effective system of corporate governance.

The CGNC will also conduct such other duties as may be assigned by the Board. With respect to the exercise of its duties and responsibilities, the CGNC should:

- (a) exercise the care, diligence and skill that a reasonably prudent person would exercise gathering and considering all material information;
- (b) remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
- (c) understand and weigh alternative courses of conduct that may be available;
- (d) focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;
- (e) if the CGNC deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining consultants or others to assist the Committee in fulfilling its duties and responsibilities; and
- (f) provide management with appropriate opportunities to meet privately with the CGNC.

Nothing in this Charter is intended, or should be determined, to impose on any member of the CGNC a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject at law.

2. COMPOSITION AND MEETINGS

- 2.1 The CGNC shall be comprised of at least two directors, each of whom shall be an independent director, who is unrelated and free of any relationship that in the opinion of the Board of Directors would interfere with his or her exercise of independent judgment as a committee member.
- 2.2 The CGNC will have a Chairperson nominated or approved by the Board of Directors from time to time as the Board sees fit.
- 2.3 A quorum for any meeting of the CGNC shall be a majority or all if only two of its members.
- 2.4 The CGNC shall meet at least once annually and more frequently as circumstances may dictate. The Chairperson shall prepare and/or approve of an agenda in advance of each meeting. The CGNC should meet privately in executive session at least annually with management.
- 2.5 The CGNC shall be empowered to retain, at the expense of the Corporation, independent legal counsel, accountants or other consultants to assist it in the conduct of its Charter.