



Updated: October, 2008

Nominating & Corporate Governance Committee Charter

Mandate

The Nominating & Corporate Governance Committee (the "Committee") is a standing committee appointed by the Board of Directors (the "Board") of Aeroquest International Limited (the "Company"). The Committee's mandate shall be:

- (i) shall, among other responsibilities, developing the Company's system of, and overall approach to, corporate governance; and
- (ii) developing criteria and process for evaluating existing Board members and identifying and considering new Board members.

Committee Membership

The Committee shall be composed of three or more directors that are non-management (and are considered independent directors within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (as the same may be amended or replaced from time to time) of the Canadian Securities Administrators) as shall be designated by the Board from time to time and shall serve until their successors are duly elected and qualified or until their earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board. The Board shall appoint from among the Committee members a member who shall serve as Chair. The quorum necessary for the transaction of business shall be a majority of members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. The Committee shall meet **[quarterly]** and at such other times as the Chair of the Committee shall require. Unless otherwise agreed, the Chairman of the Committee will send notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, to each member of the Committee no fewer than two (2) working days prior to the date of the meeting. The Chair or secretary shall minute the proceedings and resolutions of all Committee meetings. Minutes of Committee meetings shall be circulated to all members of the Committee and made available on request to other members of the Board. The Committee shall report its actions and recommendations to the Board after each Committee meeting at the next scheduled Board meeting. In camera sessions are

held as required. Other executives of the Company will attend at the request of the Committee. The Chair of the Committee shall present to the Board the results of the Committee's annual performance evaluation.

Duties & Responsibilities

The Committee shall be charged with the following duties and responsibilities:

Nominating Responsibilities:

- Review annually the competencies, skills and personal qualities required of Board members, as a whole, in light of relevant factors, including:
 - the objective of adding value to the Company in light of the opportunities and risks facing the Company and the Company's proposed strategies;
 - the need to ensure, to the greatest extent possible, that a majority of the Board is comprised of individuals who meet the independence requirements of the applicable regulatory, stock exchange and securities law requirements or other guidelines; and
 - the policies of the Board with respect to Board member tenure, retirement and succession and Board member commitments;
- Review and recommend to the Board annually the renomination of incumbent directors and recommend additional Committee members to fill vacancies as needed;
- Review periodically plans for orderly succession of directors including the Chairman of the Board in order to maintain a balanced Board in terms of skills and experience; and
- Ensure that a comprehensive orientation in place for all new directors.

Governance Responsibilities:

- Develop and recommend to the Board, the Company's system of, and overall approach to, corporate governance practices as a whole;
- Develop, review and recommend to the Board strategic corporate policies such as corporate disclosure policies, insider trading policies, code(s) of conduct and other relevant policies associated with an effective system of corporate governance practices;
- Review and recommend to the Board the membership and allocation of Board members to the various committees of the Board;
- Review annually and make recommendations to the Board for changes to the Board Mandate, Committee Charters and position description for the President

- and CEO;
- Monitor the implementation and compliance with any rules, regulations or guidelines approved by regulatory authorities relating to corporate governance; and
- Review and monitor of follow-up of comments/concerns arising from the Company's policy for dealing with suspected improper conduct.

Selection Process for New Directors

The Nominating and Corporate Governance Committee leads the process of recruiting and recommending candidates to the Board. It is their responsibility to identify any gap between the current Board composition and the Company's strategic and business requirements and develop specific future composition targets.

Director selection is part of the vital process of renewal and change. It begins with the need for a director, and is not finished until the new director has been integrated as an effective contributor to a total team effort focused on shareholder value. Directors will be chosen based on skills, commitment and their ability to add value to the Board.

Long Term Objectives:

1. Broaden the Board's background and skills.
2. Ensure directors have business experience compatible with our strategic and business objectives.

The selection process is not an exact science, but requires the Nominating and Corporate Governance Committee and the Board to be proactive to the changing needs of the Company and the board itself. The following process provides guidelines to assist the Nominating and Corporate Governance Committee in identifying and selecting nominees to the Board.

Step 1 - Current Board Analysis and Observations

- Review the background, experience and skills of each director.

Step 2 - Corporate Strategic and Business Objectives

- Review the company's strategic and business objectives and identify their implications for the current composition of the Board.

Step 3 - Board Composition Target

- Identify any gaps between the current Board composition and the Company's strategic and business requirements, (For example: knowledge of a specific foreign market) and develop specific future composition targets.

Step 4 - New Director Criteria

- Develop criteria for new directors which will complement the current Board and assist the Board in achieving its mandate. Based on the criteria and candidate interviews, a candidate may be nominated by a majority of independent directors of the Committee to the Board.

Authority

The Committee shall have the authority to retain any search firm engaged to assist in identifying director candidates, and to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms. The Committee is authorized to seek any information it requires from any employee of the Company in order to perform its duties. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

Adopted by the Nominating & Corporate Governance Committee: September, 2008
Approved by the Board: October, 2008