

GOVERNANCE COMMITTEE CHARTER
XEBEC ADSORPTION INC.
(the “Corporation”)

I. PURPOSE

The Governance Committee (the “Committee”) is a standing committee of the Board of Directors. The primary function of the Committee is to assist the Board of Directors in developing the Corporation’s approach to corporate governance issues and to advise the Board of Directors in identifying new director nominees, filling vacancies on the Board of Directors, and in establishing the composition of committees of the Board of Directors and the Chairpersons of the Committees.

In addition, the Committee shall assist the Board of Directors in evaluating the effectiveness of the Board of Directors and contributions of individual directors.

II. STRUCTURE AND OPERATIONS

The Committee shall be comprised of two or more members of the Board of Directors, each of whom is determined by the Board of Directors to be “independent” in accordance with National Policy 58-201 – *Corporate Governance Guidelines*, as amended. No member of the Committee shall be an executive officer or employee of the Corporation, or of any affiliate of the Corporation.

The members of the Committee shall be annually appointed by the Board of Directors and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority of the Board of Directors.

The Chairperson (Chair) shall be annually appointed by the Board of Directors. The Chair shall not be entitled to a casting vote, and instead will refer any matter which results in a tie vote to the full Board of Directors for consideration and resolution. The Chair will set the agendas for Committee meetings and chair all meetings of the Committee unless the Chair is not present at such meeting in which case the members present shall elect a chair for the conduct of the meeting.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

III. MEETINGS

The Committee shall meet as frequently as the circumstances dictate. The Chairman of the Board of Directors or any member of the Committee may call meetings of the Committee.

The Committee may invite to its meetings any directors of the Corporation, management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent with respect to matters that may be acted upon without a formal meeting.

The Chair of the Committee shall designate a person, who need not be a member thereof, to act as Secretary, who shall record the proceedings of the meetings. The agenda of each meeting will be prepared by the Secretary, upon consultation with the Chair, and, whenever reasonably practicable, circulated to each member prior to each meeting. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

IV. RESPONSIBILITIES, DUTIES, AUTHORITY

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities as outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter.

In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Corporate Governance

Constating Documents

1. The Committee, shall, at such times as the Committee deems appropriate, consider the adequacy of the Amended and Restated Articles of Incorporation and By-laws of the Corporation and recommend to the Board of Directors, as conditions dictate, that it propose amendments to the Amended and Restated Articles of Incorporation and By-laws of the Corporation.

Corporate Governance Principles

2. The Committee shall be responsible for developing and periodically reviewing the Corporation's approach to corporate governance issues, recommend a set of corporate governance principles and keep abreast of current developments with regard to corporate governance to enable the Committee to make such recommendations to the Board of Directors in light of such developments as may be appropriate. The corporate governance principles will include standards of performance for the members of the Board of Directors.

Code of Business Conduct and Ethics

3. The Committee shall be responsible for developing and periodically reviewing a written code of business conduct and ethics applicable to directors, officers and employees of the Corporation.

Nomination and Evaluation of Board of Directors

Nominations

4. The Committee shall identify individuals believed to be qualified as candidates to serve on the Board of Directors and recommend same to the Board of Directors for all directorships to be filled by the Board of Directors, or by the shareholders at an annual or special meeting. In identifying candidates for membership on the Board of Directors, the Committee shall take into account all factors it considers appropriate, which may include strength of character, mature judgement, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the Board of Directors.

Background Checks

5. The Committee shall conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates.

Search Firms

6. The Committee shall have sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Corporation, including the sole authority to approve fees payable to such search firm and any other terms of retention.

Performance Review

7. The Committee shall periodically, and not less than annually, review and evaluate the effectiveness of the Board of Directors and the contribution of each individual director for the purpose of improving the overall governance of the Corporation and the performance of the Board of Directors.

Committee Selection

Composition of Committees

8. The Committee shall recommend members of the Board of Directors to serve on the committees of the Board of Directors, (including in the capacity of Chair of such committees), giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of any committee.

Reports to the Board of Directors

Reports and Recommendations

9. In addition to such specific reports and recommendations provided elsewhere in this Charter, the Committee shall report regularly to the Board of Directors following meetings of the Committee and with respect to such other matters as are relevant to the Committee's discharge of its responsibilities provide such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chair or any other member of the Committee designated by a corporate governance committee to make such report.

General

Independence

10. The Committee may consider questions of independence and possible conflicts of interest of members of the Board of Directors.

General

11. The Committee shall perform such other duties and exercise such powers as may from time to time be assigned to or vested in the Committee by the Board of Directors, and such other functions as may be required of the Committee by law, regulations or applicable stock exchange rules.

V. ANNUAL PERFORMANCE REVIEW

Annual Review

The Committee shall perform a review and evaluation, annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall evaluate the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors.

Committee Charters

The Committee shall perform an annual review of the charters of the committees of the Board of Directors for the purpose of reviewing their adequacy and coordination among all such committees and shall recommend any proposed changes to the Board of Directors.