

ESPIAL GROUP INC.
CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE
CHARTER

A. Establishment of Committee and Procedures

1. Composition of Committee

The Corporate Governance and Compensation Committee (the “Committee”) of the board of directors (the “Board”) of Espial Group Inc. (the “Corporation”) will consist of not less than three directors of the Corporation, each of whom meets the independence requirements applicable to the Corporation from time to time, including any requirements of applicable securities legislation or any stock exchange on which the Corporation’s securities are traded. Under Canadian securities laws, a director is “independent” if the director has no direct or indirect material relationship with the Corporation. A “material relationship” means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment, and includes certain relationships identified in National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators.

2. Appointment of Committee Members

Members of the Committee will be appointed from time to time by the Board. A member may be removed at any time by the Board and will cease to be a member upon ceasing to be a director of the Corporation.

3. Orientation of New Members

The Board will give new Committee members such information and orientation opportunities as may be deemed by the Board to be necessary or appropriate in the circumstances.

4. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. The Board will fill any vacancy if the membership of the Committee is less than three directors.

5. Committee Chair

The Board will appoint a Chair of the Committee. If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee chosen from those members present at the meeting will preside at the meeting.

6. Responsibilities of the Committee Chair

The Chair of the Committee will provide leadership to the Committee in fulfilling its mandate and other matters delegated to it by the Board. The Chair's responsibilities will include:

- (a) working with the Chairman of the Board, the Chief Executive Officer and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;
- (b) presiding at Committee meetings;
- (c) ensuring that the Committee is properly organized and effectively discharges its duties;
- (d) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (e) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- (f) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and
- (g) taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

7. Secretary of Committee

The Committee will appoint a Secretary who need not be a director of the Corporation, to keep minutes of all Committee meetings.

8. Meetings

The Committee will meet at least twice per year and will meet at such other times during each year as it deems appropriate. In addition, the Chair of the Committee may call a special meeting of the Committee at any time. A majority of the members of the Committee will constitute a quorum. The Committee will not transact business except at a meeting at which a quorum is present or by a resolution in writing signed by all the members of the Committee.

9. Notice of Meetings

Notice of the time and place of every meeting will be given in writing (including by way of written facsimile communication) to each member of the Committee at least 24 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive notice of a meeting; and attendance of a member at a meeting constitutes 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.

10. Attendance of the Corporation's Officers or External Advisors at Meetings

At the invitation of the Chair of the Committee, one or more officers of the Corporation or the legal, financial, compensation or other advisors of the Corporation may attend any meeting of the Committee or part thereof.

11. Procedure, Records

Subject to any statute or the memorandum and articles of association of the Corporation, the Committee will fix its own procedures at meetings and keep records of its proceedings. The minutes of its meetings will be tabled at the next meeting of the Board.

12. Reporting to the Board

The Committee will, when the Committee deems appropriate, but in any event not later than the next regular meeting of the Board, report to the Board all action it has taken since its previous report to the Board, and will make such recommendations to the Board as it deems prudent as a result of such action.

13. Delegation of Responsibilities

The Committee will be entitled to delegate from time to time to any individual or subcommittee any of its responsibilities that lawfully may be delegated.

B. Mandate of Committee

1. The Committee will:

Board Composition

- (a) review, from time to time, the size of the Board to ensure the facilitation of effective decision-making;
- (b) in consultation with the Chair of the Board: (i) assess the competencies, skills and personal qualities required of directors in light of the Corporation's circumstances, business strategies and applicable regulatory requirements; (ii) review the competencies, skills and personal qualities of, and contributions made by, each existing director; and (iii) in light of the foregoing (all of which will be verbally assessed and reported), make recommendations for changes to the composition of the Board;
- (c) identify individuals qualified to become new Board members and submit

recommendations to the Board for its consideration and decision;

- (d) consider nominees, if any, recommended by the shareholders for election as directors;

Board Mandate and Succession Planning

- (e) if requested by the Board, develop a written mandate for the Board and a written position description for each of the Chair of the Board and the Chief Executive Officer;
- (f) make recommendations to the Board on succession planning for the Chief Executive Officer and the other senior officers of the Corporation and review the employment requirements and/or description for such roles;

Monitoring and Evaluation of the Board and Committees of the Board

- (g) review, from time to time, and make recommendations regarding the performance and effectiveness of the Board and each committee of the Board and, to the extent deemed necessary by the Committee, the performance of individual directors (all of which will be verbally assessed and reported);
- (h) review the composition of the various committees of the Board and their respective charters, and make recommendations thereon to the Board for its consideration and decision;
- (i) determine the most appropriate orientation and continuing education program for Board and committee members to ensure that all directors fully understand: (i) the role of the Board and its committees, (ii) the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the issuer expects from its directors), and (iii) the nature and operation of the Corporation's business;
- (j) review the Corporation's Disclosure Policy and other codes or policies of the Corporation, assess the adequacy of such codes and policies and recommend any proposed changes to such codes and policies to the Board;
- (k) be authorized to approve, in such circumstances as it considers appropriate, the engagement by any one or more directors of outside advisers, such engagement to be at the Corporation's expense;
- (l) from time to time, recommend and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a committee thereof, and undertake such other initiatives as are necessary

or desirable to provide effective corporate governance for the Corporation;

Dealings with Management of the Corporation

- (m) assess the availability, relevance and timeliness of information required by the Board;
- (n) monitor and assess the relationship between the Board and management of the Corporation, and define the limit to management's responsibilities and make recommendations with a view to ensuring that the Board is able to function independently of management;
- (o) ensure that any issues relating to governance which are identified by the directors are raised with management;

Director Compensation and Directors' and Officers' Insurance

- (p) conduct, from time to time, a review of compensation for Board and committee service, taking into account such issues as the time commitment, compensation provided by comparative companies, responsibilities of directors, risks assumed by directors, and similar matters, and recommend any change in compensation to the Board for its consideration and decision;
- (q) assess the Corporation's directors' and officers' insurance coverage and make recommendations for its renewal or amendment or the replacement of the insurer;

Executive Compensation

- (r) review and study compensation and compensation policy for the Corporation generally, including the level of compensation paid to senior officers of the Corporation, and report thereon to the Board;
- (s) review the goals and objectives of the Chief Executive Officer at the beginning of each year and provide a verbal appraisal of the Chief Executive Officer's performance for the most recently completed year;
- (t) review the performance of senior officers of the Corporation;
- (u) if authorized by the Board, administer any stock option plan of the Corporation and grant stock options under any such plan in accordance with the terms of such plan;
- (v) consider from time to time and, as it considers appropriate, make recommendations to the Board concerning the adoption of any

compensation, stock option, stock purchase or other similar plans in which eligible persons may participate, the proposed grants under such plans, and the administration and monitoring, as required, of any benefits granted;

- (w) report on its activities to the Board and deal with such other matters relating to compensation as may be referred to it by the Board;

Diversity

- (x) on an annual basis, assess the effectiveness of the Board appointment/nomination process at achieving the Company's diversity objectives;
- (y) on an annual basis, consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board;

Reporting Obligations

- (z) review any statement of corporate governance practices that is included in the Corporation's annual report or management information circular;
- (aa) review executive compensation disclosure before the Corporation publicly disseminates this information;
- (bb) review any publication of charters of the various committees of the Board;
and

Committee Evaluation and Performance

- (cc) at least annually, perform a self-evaluation to determine the Committee's effectiveness and performance (which will be orally assessed and reported), evaluate succession plans related to Committee membership and review this Charter and, if required, recommend changes to the Board.

2. The Committee may, at the request of the Board or on its own initiative, investigate such other matters as it considers necessary or appropriate in the circumstances, and will have the authority to (i) retain independent counsel and other advisors, as it determines necessary to carry out its duties, and (ii) set and pay compensation for any advisors employed by the Committee.