

**CATCH THE WIND LTD.**

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**CORPORATE GOVERNANCE AND COMPENSATION  
COMMITTEE CHARTER**

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Approved by the Board of Directors on October 28, 2008

## CATCH THE WIND LTD.

### CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE CHARTER

To the directors of Catch the Wind Ltd. (the "**Company**"):

#### Purpose

- (1) The Corporate Governance and Compensation Committee of the board of directors (the "**Board**") of the Company will:
  - (a) develop the Company's system of and overall approach to corporate governance generally, monitor compliance with applicable corporate governance requirements, assess the Board's effectiveness in governance matters and make recommendations to the Board with respect to corporate governance of the Company as a whole, including without limitation:
    - (i) the stewardship role of the Board in respect of management of the Company;
    - (ii) Board size and composition;
    - (iii) director remuneration; and
    - (iv) such processes and procedures as may be reasonably necessary to allow the Board to function independently of management;
  - (b) generally review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chief Executive Officer and other senior officers of the Company and its subsidiaries (collectively, the "**Company**");
  - (c) review and make recommendations to the Board regarding incentive compensation and equity based plans generally;
  - (d) administer those functions delegated to the Committee pursuant to the Company's Amended and Restated Stock Option Plan, as amended, or any successor or replacement plan (the "**Option Plan**") and the Company's Confidentiality and Insider Trading Policy; and
  - (e) generally review and make recommendations to the Board with respect to succession planning for the Chief Executive Officer and other senior officers of the Company.

#### Organization

- (2) The Committee will be composed of three (3) members, a majority of whom will not be officers or employees of the Company. The Board will annually appoint the members of

the Committee and appoint a Chairman from amongst those appointed to hold office until the next annual meeting of shareholders of the Company. The members of the Committee will serve at the pleasure of the Board and vacancies occurring from time to time will be filled by the Board.

- (3) A majority of the members of the Committee will constitute a quorum and all actions of the Committee will be taken by a majority of the members present at the meeting.
- (4) The Committee shall select an individual to act as the secretary of the Committee. The secretary of the Committee will keep minutes of the Committee and such minutes will be retained in the corporate records of the Company.
- (5) The secretary of the Committee will provide the Chairman and each member of the Committee, the Chief Executive Officer and the Chief Financial Officer of the Company with notice of each meeting of the Committee, all of whom will be entitled to attend each meeting. The Chairman of the Committee or the Committee may request that any officer or employee of the Company or its affiliates attend a Committee meeting.
- (6) The Committee will meet periodically as required in order to carry out its duties, but will meet at least annually to address the matters specified in sub-paragraphs (8) (a), (b), (e), (i) and (j) and paragraph (9).
- (7) The Committee may retain outside legal and other experts at the expense of the Company where reasonably required to assist and advise the Committee in carrying out the Committee's duties and responsibilities.

### **Duties and Responsibilities**

- (8) The Committee will generally be responsible for:
  - (i) developing the Company's system of, and overall approach to, corporate governance as a whole, consistent with applicable law, rules and regulations of applicable regulatory authorities and the Company's needs;
  - (ii) making recommendations to the Board for implementation of such system; and
  - (iii) assessing the effectiveness of the Company's system of corporate governance.

In addition, the Committee will monitor the implementation of compliance with any rules, regulations or guidelines promulgated by regulatory authorities relating to corporate governance.

Specific responsibilities of the Committee include:

- (a) annually oversee the evaluation of management and monitor and assess the relationship between the Board and management, defining the limits of

management's responsibilities and ensuring that the Board is able to function independently of management;

- (b) annually assess and oversee the evaluation of the effectiveness of the Board as a whole and of the individual committees of the Board as well as recommend timely changes in the role, size, composition, competencies and skills and structure of the Board and of all Board committees;
- (c) assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information and the conduct of meetings;
- (d) recommend to the Board from time to time rules and guidelines governing and regulating the affairs of the Board, such as orientation and education of new and existing members regarding the structure and operations of the Company, continuing education, tenure, retirement, compensation and indemnification of directors;
- (e) recommend to the Board at the first meeting of the Board following each Annual Meeting of the Shareholders of the Company the allocation of Board members to each of the Board committees, including the Chair of each committee. Where a vacancy occurs at any time in the membership of any Board committee, the Committee may recommend to the Board a director to fill such vacancy;
- (f) review the mandates or charters of the Board committees periodically and recommend to the Board such amendments as may be necessary or advisable to reflect the Company's system of an overall approach to corporate governance;
- (g) recommend to the Board a set of corporate governance principles applicable to the Company and 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 Company, including the roles and responsibilities of directors and the recommendation of appropriate policies and procedures to ensure that directors carry out their duties with due care and in compliance with all legal requirements;
- (h) annually develop, review and report on corporate governance guidelines or requirements applicable to the Company, consistent with the applicable requirements of the TSX Venture Exchange Inc., the Ontario Securities Commission, Alberta Securities Commission, British Columbia Securities Commission and any other applicable regulatory authority;
- (i) develop, review and recommend to the Board strategic corporate policies such as corporate disclosure policies, insider trading policies, confidentiality policies, code(s) of conduct and other relevant policies associated with ensuring an effective system of corporate governance. In this regard, the Committee will review with counsel the Company's compliance with applicable laws and regulations and inquiries received from regulators and governmental agencies;

- (j) recommend to the Board the form and content of a Confidentiality and Insider Trading Policy, monitor its implementation, operation and effectiveness and authorize any waiver of compliance of such policy and oversee the investigation of any alleged breach thereof;
  - (k) recommend to the Board the form and content of a Code of Business Conduct and Ethics, monitor its implementation, operation and effectiveness and authorize any waiver of compliance of such code and oversee the investigation of any alleged breach thereof; and
  - (l) undertake on behalf of the Board such other corporate governance initiatives as may be necessary or desirable to enable the Board to contribute to the advancement of the Company and to enhance shareholder value.
- (9) The Committee, in reviewing and making recommendations to the Board relating to executive compensation, will consider and apply, among other things, the historical operating philosophies and policies of the Company and the use of stock options and other stock rights granted under the Option Plan to align the interests of management and shareholders and to create shareholder value.

With respect to compensation, the Committee will:

- (a) evaluate the Chief Executive Officer's performance, including in respect of any established goals and objectives, and review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chief Executive Officer based on such evaluation;
- (b) generally review and make recommendations to the Board with respect to compensation, benefits and perquisites for all other senior officers of the Company;
- (c) generally review and make recommendations to the Board with respect to incentive compensation and equity based plans;
- (d) review and make recommendations to the Board with respect to the Company's policies regarding management benefits and perquisites;
- (e) review and approve the disclosure relating to the compensation of directors and officers of the Company contained in the Company's management information circular/proxy statement or other documents prior to their filing with regulatory authorities and/or distribution to the shareholders of the Company;
- (f) prepare the report of the Corporate Governance and Compensation Committee contained in the Company's management information circular/proxy statement or other documents to the extent required by applicable law; and

- (g) perform such other functions in respect of the Company as requested or delegated by the Board from time to time.
- (10) The Committee will have all of the power and discretion delegated to it by the Board under any equity based plans and under the Option Plan, or any successor plan thereof which specifically designates powers and discretion to the Committee, as well as the power to administer the Option Plan, including, where consistent with the general purpose and intent of the option Plan (but subject in all respects to the specific provisions of the Option Plan), the power to:
- (a) interpret the provisions of the Option Plan and to determine all questions arising out of the Option Plan and any stock options granted pursuant to the Option Plan, and any such interpretation or determination made by the Committee shall, absent manifest error, be final and conclusive for all purposes;
  - (b) make rules and regulations and formulate administrative provisions for the implementation of the Option Plan;
  - (c) select which eligible employees, directors, officers and consultants of the Company and its affiliates are granted stock options and to grant the same;
  - (d) determine the number of shares covered by each stock option;
  - (e) determine the exercise price of each stock option;
  - (f) designate the type of option granted;
  - (g) determine when options are permitted to be exercised by U.S. persons who are holders of options and the manner in which they may be exercised (including, without limitation, limitations on exercise during a blackout period);
  - (h) determine the time or times when stock options will be granted and exercisable and the conditions applicable thereto;
  - (i) determine if the shares that are subject to an option under the Option Plan will be subject to any restrictions upon the exercise of such option;
  - (j) review and approve or otherwise prescribe the terms, conditions, restrictions and/or form of the instruments (including stock option agreements) relating to the grant, exercise and other terms of stock options; and
  - (k) perform such other functions in respect of the Option Plan as requested or delegated by the Board from time to time.
- (11) The Committee will generally be responsible for succession planning for key positions within the Company and its affiliates, including:
- (a) the Chief Executive Officer; and

(b) senior officers of the Company.

In doing so, the Committee will review management's succession plans as needed and make recommendations to the Board where advisable, taking into consideration the management and operational needs of the Company and its operating philosophy.