



<b>Corporate Governance and Nominating Committee Mandate</b>	Previously Approved June 2010
	CGNC Approval June 2011
	Board Approval June 2011

**GENERAL**

The purpose of this document is to establish the terms of reference of the Corporate Governance and Nominating Committee (“the Committee”) of Afexa Life Sciences Inc. (the "Company").

**STRUCTURE AND AUTHORITY**

The Board of Directors of the Company (the "Board") shall elect annually from the members of the Board of Directors, a Corporate Governance and Nominating Committee, (the "Committee") which shall be composed of not less than three members who are independent of the Company, as defined in MI 52-110 Audit Committees, and at least half of which shall be resident Canadians.

Each member of the Committee shall serve during the pleasure of the Board and, in any event, only so long as that person shall be a Director.

The Board may fill vacancies in the Committee by election of qualifying Directors from among their number.

The Committee shall have a quorum of not less than a majority of it members.

The Committee shall have the power to determine its own rules of procedures subject to any regulations imposed by the Board from time to time.

**RESPONSIBILITIES**

The Committee, as part of the Company's approach to governance issues, shall:

Set criteria for Board members, identify individuals qualified to become board members and, at the direction of the Board, either select or recommend that the Board select the director nominees for the next Annual General Meeting of Shareholders. Cause to be prepared and adopted a process for determining what competencies and skills the Board as a whole should have, and apply the results to the recruitment process.

Assess candidates for the role of Chair of the Board, should that position become vacant.

Review the size and composition of the Board and from time to time recommend changes to the Board, when appropriate.

Develop and recommend a set of corporate governance principles applicable to the Company and review the corporate governance guidelines from time to time.

Assess annually the effectiveness of the Board as a whole, the various committees of the Board (including the Committee) and the contribution of individual Directors and make any necessary recommendations to the Board in relation thereto. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment for Board discussion.

Based upon the feedback of the peer review process, the CGNC Chair annually assesses the performance of the Chair of the Board and the Lead Director of the Board of Directors and provides feedback to the individuals and the Board Chair.

Should there be a Lead Director appointed to the Board, annually review the independence status of the Lead Director, review the mandate and determine whether there is a continuing need for such a position.

Make recommendations to the Board as to the members of the various committees of the Board, taking into account the eligibility for membership on such committees based upon applicable laws, rules and regulations.

Ensure there is a succession plan for the Directors and the Company's Board Chair.

Ensure the provision of appropriate orientation for new Directors and availability of continuing education programs for all Directors.

Ensure that the Board functions independently of Management of the corporation and other Directors.

Establish and monitor procedures for administering the relationship of the Board with the Company's Management, evaluate the company's reporting processes to the Board to ensure timeliness and comprehensiveness of information provided. Ensure that the Chairmen of the various committees of the Board shall have unimpeded access to Management.

Review directorships and consulting agreements of Board members in other organizations for conflicts of interest and for the purpose of protecting independence of the board members. Annually make recommendation to the full Board regarding independence status of Directors.

Ensure that there is an adequate process administered by the Company's Audit Committee to allow all levels of employees to bring wrong doing issues to such Committee which are not being adequately dealt with by Management of the Company.

Establish and monitor procedures to ensure that the Board is made aware of current and evolving legislation, regulations and guidelines relating to applicable corporate governance issues pertaining to regulated public issuers.

Establish and monitor procedures which will enable an individual Director to engage an outside advisor at the expense of the Company under appropriate circumstances on the basis that such procedures shall allow the Committee to retain the discretion to approve the reasonableness and costs for such engagement.

Review the Company's Corporate Disclosure Policy and evaluate the Company's compliance with this policy and update when necessary.

Review the Company's annual Social and Environmental Responsibility Report as submitted by the President outlining the policies, practices and contributions made in fulfillment of the Corporation's social and environmental responsibilities.

Review the Company's document: *Living our Values: Afexa Code of Conduct* at least annually and evaluate whether the Company, its Board, Executive and employees conduct themselves in an ethical manner and in compliance with laws, regulations, audit and accounting principles and the Company's own governing policies.

Provide a report on corporate governance on a yearly basis to be included in the Management Information Circular for the Company's Annual General Meeting, which report shall be prepared in accordance with NI 58-101 Corporate Governance Disclosure. In addition, a report shall be made and posted on the Company's website to take into account other corporate governance requirements required by the Canadian Securities Administrators (the "CSA") and other applicable entities that have jurisdiction over the Company.

Review and reassess, at least annually, the adequacy of the Corporate Governance Guidelines of the Board and recommend any proposed changes to the Board for approval.

Review and reassess, annually, the adequacy of the Corporate Governance and Nominating Committee mandate and recommend any proposed changes to the Board for approval on an annual basis. Advise the Board Chair of any changes made in the interim.

Report, on a regular basis, to the Board on its deliberations.