

 <b>Empire Industries Ltd.</b>	<b><i>BD 3 Corporate Governance Committee Charter</i></b>	
	Issued and Approved By:	Board of Directors
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## **1. PURPOSES**

The purposes of the Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Empire Industries Ltd. (the “Company”) shall be to assist the Board in

- a) establishing the minimum qualifications for a director nominee, including the qualities and skills that Board members are expected to possess;
- b) identifying and evaluating individuals qualified to become Board members, consistent with criteria approved by the Board and Committee;
- c) recommending that the Board select, the director nominees for election at the next Annual Meeting of Shareholders, or to fill vacancies on the Board occurring between Annual Meetings of Shareholders; and
- d) developing, recommending to the Board, and assessing corporate governance policies for the Company.
- e) fulfilling its oversight responsibilities with respect to Chief Executive Officer and executive Management compensation.

## **2. COMPOSITION**

- a) At Least Three Members; Chairperson. The Committee shall consist of a minimum of three independent directors as defined by applicable law. The Board shall designate a Committee member as the Chairperson of the Committee, or if the Board does not do so, the Committee members shall appoint a Committee member as Chairperson by a majority vote of the authorized number of Committee members.
- b) Appointment. Subject to the requirements of the listing standards and the Bylaws of the Company, the Board initially shall appoint the Committee members to serve until the first meeting of the Board following the next Annual Meeting of Shareholders. Thereafter, the Committee members shall be appointed by the Board for one year terms and until their successors are appointed and qualified, or until their earlier retirement, resignation or removal. The Board may fill any vacancies on the Committee; however, any member of the Committee may be removed, with or without cause, only by the approval of a majority of the independent directors then serving on the full Board.

## **3. MEETINGS; REPORTS AND RESOURCES OF THE COMMITTEE**

- a) Meetings. The Committee shall meet as often as it determines necessary or advisable, but not less than once a year. The Chairperson of the Committee or a majority of the Committee members may call meetings of the Committee. The Committee also may hold special meetings or act by unanimous written consent as the Committee may decide. The meetings may be in person or by telephone. The Committee shall keep written minutes of its meetings and shall deliver a copy of such minutes to the Board and to the Corporate Secretary of the Company for inclusion in the Company’s minute books. The Committee may meet separately with other directors, the Chief

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Executive Officer and other Company employees, agents or representatives invited by the Committee.

- b) Procedures. The Committee may establish its own procedures in a manner not inconsistent with this Charter, the Company's Bylaws, applicable laws or regulations, or the listing standards. A majority of the authorized number of Committee members shall constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at the meeting at which a quorum is present shall be the act of the Committee, unless in either case a greater number is required by this Charter, the Company's Bylaws, applicable laws or regulations, or the listing standards. The Committee may form and delegate any of its responsibilities to a subcommittee so long as such subcommittee consists solely of independent members of the Committee.
- c) Reports. The Committee shall report its actions and recommendations to the Board after each Committee meeting, and shall report to the Board the director nominees for the Annual Meeting of Shareholders at an appropriate time prior to preparation of the Company's proxy statement for the Annual Meeting of Shareholders. The Committee shall disclose to the Board information regarding the category or categories of persons or entities that recommended, and persons or entities that caused to be recommended, each director nominee (for instance, security holder, non-management director, chief executive officer, other executive officer, third-party search firm, or other, specified source), specifically noting those instances where a nominee was recommended by the Chief Executive Officer of the Company. The Committee also shall disclose to the Board whether any third parties received compensation related to identifying and evaluating candidates.
- d) Committee Access and Resources. The Committee is at all times authorized to have direct, independent and confidential access to the Company's other directors, management and personnel, as well as to the Company's books, records and facilities, to carry out the Committee's purposes. The Committee shall have the sole authority, to the extent it deems necessary or appropriate, to retain and terminate at the Company's expense any search firm to assist in identifying director candidates, and any independent counsel or other advisers selected by the Committee for matters related to the Committee's purposes. The Committee shall have sole authority to approve related fees and retention terms.

#### **4. AUTHORITY AND RESPONSIBILITIES.**

In furtherance of its purposes, the Committee shall have the following authority and responsibilities:

##### Corporate Governance

- a) To assist the Board in establishing the minimum qualifications for a director nominee, including the qualities and skills that Board members are expected to possess; to lead the search for and identify individuals qualified to become Board members, consistent with criteria approved by the Board; and to recommend that the Board select, the director nominees to be presented for stockholder

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approval at the next Annual Meeting of Shareholders, and one or more director nominees for each vacancy on the Board that occurs between Annual Meetings of Shareholders, subject to legal rights, if any, of third parties to nominate or appoint directors. The Committee shall select or recommend individuals as director nominees who meet the minimum qualifications approved by the Board and who shall have high personal and professional integrity, who shall have financial literacy or other professional or business experience relevant to an understanding of the Company and its business, who shall have demonstrated an ability to think and act independently and with sound judgment and who shall be effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Company and its shareholders.

- b) To review and recommend to the Board a determination with respect to each director's "independence" under the listing standards, the rules and regulations of the SEC and any other laws applicable to the Company.
- c) To receive, review and respond to director nominations submitted in writing by the Company's shareholders.
- d) To review and evaluate the Board's committee structure. To recommend to the Board for its approval qualified directors to serve as members of each committee, giving consideration to the criteria for service on each committee as set forth in the charter for such committee. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.
- e) To consider and recommend changes in the size or composition of the Board and matters relating to the retirement of Board members.
- f) To determine the reasons for the resignation of any director.

Chief Executive Officer (CEO)

- g) Annually review and, in the Committee's discretion, make recommendations to the Board for consideration regarding the CEO's short-term and long-term corporate goals and objectives and performance measurement indicators.
- h) Annually (i) review a report on CEO compensation from Management or, in the Committee's discretion, an independent compensation consultant; (ii) evaluate the performance of the CEO considering the Position Description of the CEO, and the CEO's short-term and long-term corporate goals and objectives and performance measurement indicators; and, (iii) recommend annual CEO compensation, including a long-term incentives component determined considering Empire's performance and relative shareholder returns, the value of similar incentive awards to CEOs at comparable companies and the awards given to Empire's past CEOs where relevant. Based on the evaluation, in the Committee's discretion, make recommendations to the independent directors of the Board for consideration. The independent directors have sole authority to determine annual CEO

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compensation. The Committee, in its discretion, may approve a long-term incentive award (with or without ratification from the Board) as may be required to comply with applicable tax laws.

- i) Annually review, with the CEO, the Position Description for the CEO and, in the Committee's discretion, recommend any changes to the Board for consideration.

#### Compensation

- j) Annually review the level and form of compensation of Empire's Directors, considering peer practices and the duties and responsibilities of the Directors and, in the Committee's discretion, recommend any changes to the Board for consideration.
- k) Annually review the level and form of compensation of Empire's Board Chair, considering peer practices and the duties and responsibilities of the Board Chair and, in the Committee's discretion, recommend any changes to the Board for consideration.
- l) Annually review the level and form of compensation of Empire's Committee Chairs, considering peer practices and the duties and responsibilities of the Committee Chairs and, in the Committee's discretion, recommend any changes to the Board for consideration.
- m) Annually review the recommendations of the CEO concerning overall compensation and other conditions of employment of executive Management, other than the CEO, and, in the Committee's discretion, make recommendations to the Board for consideration.
- n) Regularly review all incentive compensation plans and equity-based plans and, in the Committee's discretion, make recommendations to the Board for consideration.
- o) Review Management's proposals for grants of equity-based incentives and, in the Committee's discretion, make recommendations to the Board for consideration.

#### Other Duties and Responsibilities

- p) To annually evaluate its own performance as a committee, including its effectiveness and compliance with its Charter, and report to the Board the results of such evaluation and any recommended changes. To review and reassess, at least annually, the adequacy of this Charter and submit any recommended changes to the Board for its consideration.
- q) To perform any other activities, consistent with this Charter, the Company's Bylaws and applicable listing standards and laws, as the Committee or the Board deems necessary or appropriate.
- r) To develop, assess annually, and make recommendations to the Board concerning, appropriate corporate governance policies, including the Company's Code of Ethics and Business Conduct. To regularly review issues and developments related to matters of corporate governance. To monitor

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compliance with the Company's Code of Ethics and Business Conduct and other corporate governance policies.

- s) To oversee an annual review of the performance of the full Board and management, and to oversee the annual self-evaluation process of each Board committee.
- t) To perform any other functions required by applicable law, rules or regulations, including the rules of any exchange or market on which the Company's securities are traded. The Committee shall also perform such other functions as are delegated to it by the Board from time to time.

#### **5. PROCEDURES REGARDING DIRECTOR NOMINATIONS BY SHAREHOLDERS**

The Committee will consider nominees for the Board recommended by shareholders who meet the eligibility requirements for submitting stockholder proposals for inclusion in the Company's next proxy statement. If an eligible stockholder wishes to recommend a nominee, he or she should submit such recommendation in writing to the Chair, Corporate Governance Committee, care of the Corporate Secretary of the Company, by the deadline for stockholder proposals set forth in the Company's last proxy statement, specifying the following information:

- a. the name and address of the nominee;
- b. the name and address of the stockholder making the nomination;
- c. a representation that the nominating stockholder is a stockholder of record of the Company's stock entitled to vote at the next annual meeting and intends to appear in person or by proxy at such meeting to nominate the person specified in the notice;
- d. the nominee's qualifications for membership on the Board;
- e. all of the information that would be required in a proxy statement soliciting proxies for the election of the nominee as a director;
- f. a description of all direct or indirect arrangements or understandings between the nominating stockholder and the nominee and any other person or persons (naming such person or persons) pursuant to whose request the nomination is being made by the stockholder;
- g. all other companies to which the nominee is being recommended as a nominee for director;
- h. a signed consent of the nominee to cooperate with reasonable background checks and personal interviews, and to serve as a director of the Company, if elected.

All such recommendations will be brought to the attention of the Committee, and the Committee shall evaluate such director nominees in accordance with the same criteria, set forth in this Charter or otherwise approved by the Committee or the Board, applicable to the evaluation of all director nominees.