

# FENNEC PHARMACEUTICALS INC.

## Governance Committee Charter

### **Purpose.**

The purpose of the Governance Committee (the "Committee") of the Board of Directors (the "Board") is to:

- Develop and recommend to the Board a set of corporate governance guidelines applicable to the Board and the Company;
- Oversee the effectiveness of the Company's corporate governance in accordance with the guidelines; and
- Carry out the specific responsibilities set forth below in furtherance of this stated purpose.

### **Committee Membership and Procedures.**

The Committee shall be comprised of the Chairman of the Board (ex officio) and directors who are "independent" for the purposes of *National Policy 58-201 - Corporate Governance Guidelines* and who satisfy the independence requirements of the Securities Exchange Commission, the American Stock Exchange or NASDAQ, as the case may be, provided that if the circumstances warrant, the Board may designate a non-independent member of the Committee to the extent permitted by such requirements. Committee members shall be appointed by the Board. The Chair of the Board shall designate one independent member of the Committee as its Chair.

The Committee shall meet at least once each year and hold such other meetings from time to time as may be called by its Chair, the Chair of the Board or any two members of the Committee.

At each meeting of the Board following a meeting of the Committee, the Chair of the Committee shall report to the full Board on the matters considered at the last meeting of the Committee. Such report may be made in whole or in part in an executive session of the independent directors to the extent appropriate.

The Committee shall conduct its meetings in accordance with this Charter, the procedures of the Board set forth in the By-laws for the Board's meetings and such other procedures as the Committee may adopt.

### **Committee Authority and Responsibilities.**

Evaluations. The Committee shall oversee the process of evaluations of the Board, its committees and executive management of the Company, and make recommendations to the Board as appropriate.

Corporate Governance Guidelines. The Committee shall recommend to the Board a set of corporate governance guidelines that are appropriate for the Company and in compliance with applicable laws, regulations and listing standards. The Committee shall periodically review the Company's corporate governance guidelines for the purposes of:

- Determining whether the guidelines are being effectively adhered to and implemented;
- Ensuring that they continue to be appropriate for the Company and comply with applicable laws, regulations and listing standards; and
- Recommending any desirable changes in the guidelines to the Board.

In addition, the Committee shall consider any other corporate governance issues that may arise from time to time, and develop appropriate recommendations to the Board.

Code of Business Conduct and Ethics. The Committee shall develop and recommend to the Board a code of business conduct and ethics, and shall consider any requests for waivers thereunder or recommend to the Board delegation of authority to another committee of the Board to consider such requests. The Company shall make disclosure of such waivers as required by applicable laws, regulations or listing standards.

Director Compensation. The Committee shall advise the Board with respect to compensation of non-employee directors.

Orientation and Education. The Committee shall oversee the orientation and education of directors with respect to the Company's business and financial matters, corporate governance and other appropriate subjects.

Engagement of Advisors. The Committee shall have the sole authority to obtain advice and assistance from internal or external legal, accounting or other advisors and shall have sole authority to approve such advisors' fees (within the budget approved by the Board) and other retention terms. The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

Charter. The Committee shall review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.