

**NORTHBRIDGE FINANCIAL CORPORATION**  
**(the “Corporation”)**

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**  
**CHARTER**

**1. PURPOSE**

The Corporate Governance and Nominating Committee (the “Corporate Governance Committee”) is responsible for assisting the Board of Directors of the Corporation (the “Board”) in fulfilling its oversight responsibilities in relation to:

- identifying the competencies and skills criteria for Board membership and candidates who meet those criteria;
- the size, composition and structure of the Board and its committees;
- orientation and continuing education for directors;
- evaluating the effectiveness of the Board, Board committees and individual directors;
- the Corporation’s overall approach to corporate governance;
- actual or potential conflicts of interest involving members of the Board or senior management; and
- any additional matters delegated to the Corporate Governance Committee by the Board.

**2. MEMBERS**

The Board shall appoint a minimum of three and a maximum of five directors to be members of the Corporate Governance Committee. The members of the Corporate Governance Committee will be selected by the Board on the recommendation of the Corporate Governance Committee. All of the members of the Corporate Governance Committee will meet the criteria for independence contained in applicable laws and stock exchange rules and regulations, and at least 25% must be residents of Canada (so long as this is required under applicable law). Members have a duty to immediately notify the Chair of the Board if he or she ceases to meet the qualifications for Committee membership for any reason.

Any member of the Corporate Governance Committee may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as he or she ceases to meet the qualifications set out above. The Board will fill vacancies on the Corporate Governance Committee by appointment from among qualified members of the Board on the recommendation of the Corporate Governance Committee. If a vacancy exists on the Corporate Governance Committee, the remaining members may exercise all of its powers so long as there is a quorum.

### **3. STRUCTURE AND OPERATION**

The Committee shall meet as frequently as is necessary, but not less than semi-annually. A quorum at any meeting of the Committee shall be a majority of members, except where the Committee has four members, in which case a quorum shall be two members. Meetings of the Committee must be constituted so that Canadian residency requirements of the *Canada Business Corporations Act* are met.

Each year, the Board will appoint one member to be Chair of the Corporate Governance Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

The Committee Chair, in consultation with the Chair of the Board or the Vice-Chair of the Board, shall set the agenda for each meeting of the Committee. The agenda for each meeting will afford an opportunity for Committee members to meet separately, without management.

The powers of the Committee may be exercised by majority vote at a meeting where a quorum is present or by resolution in writing signed by all members of the Committee.

### **4. DUTIES**

The Corporate Governance Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or stock exchange requirements or are delegated to the Corporate Governance Committee by the Board.

#### **(a) Board Size, Composition and Structure**

The Corporate Governance Committee will examine the size of the Board and recommend to the Board a size that facilitates effective decision making. In addition, taking into consideration the recommended size of the Board, the Corporate Governance Committee will recommend the number of Board positions to be filled by independent directors, bearing in mind the Board's objective to ensure to the fullest extent practicable in the circumstances that, except during periods of temporary vacancies, independent directors should comprise not less than half of the members of the Board.

The Corporate Governance Committee will review the overall composition of the Board and make recommendations to the Board as it determines appropriate, taking into consideration such factors as the competencies and skills the Board, as a whole, should possess and the character, integrity, judgment, business experience and specific competencies and skills of each director.

The Corporate Governance Committee will evaluate whether the necessary and appropriate committees exist to support the work of the Board and will make recommendations to the Chair of the Board for the reorganization of responsibilities among committees, the creation of additional committees or subcommittees, or the elimination of committees as it determines appropriate.

**(b) Director Qualifications**

The Corporate Governance Committee will establish the preferred qualifications for new directors which will reflect, among other things:

- preferred competencies, skills, personal qualities, experience, areas of expertise and other factors taking into account the overall composition of the Board; and
- limits on outside responsibilities or commitments that would materially interfere with or be incompatible with Board membership.

**(c) Board Succession**

The Corporate Governance Committee will develop and maintain a Board succession plan that is responsive to the Corporation's needs and the interests of its shareholders.

**(d) Identification of Candidates for Board Membership**

The Corporate Governance Committee will recommend to the Board a list of candidates for nomination for election to the Board at the Corporation's annual meeting of shareholders. In addition, as the need arises, it will identify and recommend to the Board new candidates for Board membership.

**(e) Appointments to Board Committees**

The Corporate Governance Committee will annually recommend to the Board those directors it considers qualified for appointment, or reappointment as the case may be, to each Board committee. Committee assignments will be reviewed on an annual basis and rotation of assignments will be considered periodically, taking into account the special expertise and knowledge required for each position, applicable regulatory requirements and directors' interest, abilities and prior Committee service. When a vacancy occurs at any time in the membership of any Board committee, the Corporate Governance Committee will recommend to the Board a director to fill such vacancy.

**(f) Performance Assessments**

The Corporate Governance Committee will annually review the effectiveness of the Board in fulfilling its responsibilities and duties.

The Corporate Governance Committee will also annually review the effectiveness of all committees in fulfilling their responsibilities and duties as set out in their respective charters. In addition, the Corporate Governance Committee will annually consider the performance, contributions and credentials of individual directors prior to their nomination for re-election to the Board.

**(g) Compensation of Directors**

The Corporate Governance Committee, in consultation with the Compensation Committee, will periodically review the adequacy and form of directors' compensation and recommend to the Board a compensation model that appropriately compensates directors for the responsibilities and risks involved in being a director or a member of one or more Board committees, as applicable.

**(h) Approach to Corporate Governance**

The Corporate Governance Committee will review the Corporation's overall approach to corporate governance and make recommendations to the Board in this regard. Among other things, the Corporate Governance Committee will:

- develop charters for any new standing committees established by the Board (other than committees empowered by the Board to establish their own charters or terms of reference), review the charters of each existing committee and, where appropriate, recommend any amendments to the Board;
- review the position descriptions for the Chair of the Board, the Vice-Chair of the Board, the Chief Executive Officer, directors and chairs of each Board committee and, where appropriate, recommend any amendments to the Board;
- review and assesses the process related to meetings of the Board, including timing and frequency of meetings, content of agendas and information requirements of the Directors;
- review proposed amendments to the Corporation's Code of Business Conduct and Ethics;
- receive reports from management of the Corporation regarding discretionary waivers granted under the Corporation's Insider Trading and Reporting Policy;
- review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- be available as a forum for addressing the concerns of individual directors;
- work with the Chairman of the Board, the Chief Executive Officer and other members of management to foster a healthy corporate governance culture within the Corporation;
- monitor, on a continuing basis, developments in the area of corporate governance and recommend initiatives that will help the Corporation maintain its standards of corporate governance;
- review non-routine items of business for consideration at the annual meeting of shareholders;

- assess proposals submitted by shareholders for inclusion in proxy solicitation materials; and
- make recommendations to the Board as to all such matters.

**(i) Orientation and Continuing Education for Directors**

The Corporate Governance Committee will confirm that procedures are in place and resources are made available to provide new directors with a proper orientation to both the Corporation and their responsibilities and duties as directors and to provide other directors with appropriate continuing education opportunities.

**5. REPORTING**

The Corporate Governance Committee will:

- regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- oversee the preparation of the “Statement of Corporate Governance Practices” (or similarly captioned) section of the Corporation’s management proxy circular.

**6. REVIEW AND DISCLOSURE**

The Corporate Governance Committee will review this Charter at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate.

**7. ASSESSMENT**

At least annually, the Corporate Governance Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this Charter.

**8. ACCESS TO OUTSIDE ADVISORS**

In carrying out its duties, the Corporate Governance Committee may retain and instruct any outside advisor, including a director search firm, at the expense of the Corporation at any time and has the authority to determine any such advisor’s fees and other retention terms.