

Protox

THERAPEUTICS

PROTOX THERAPEUTICS INC.

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE CHARTER

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Protox Therapeutics Inc.
1210-885 West Georgia Street
Vancouver, BC
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**CORPORATE GOVERNANCE AND NOMINATION COMMITTEE CHARTER
PROTOX THERAPEUTICS INC.
(the “Company”)**

1. Purpose

The purposes of the and Corporate Governance and Nomination Committee (the “Governance Committee”) shall be to assist the Company’s Board of Directors (the “Board”) in (a) identifying qualified individuals to become Board members, consistent with criteria approved by the Board, (b) determining the composition of the Board and its committees, (c) selecting the director nominees for the next Annual General Meeting, (d) monitoring a process to assess Board, committee and management effectiveness, (e) aid and monitor management succession planning and (f) developing, recommending to the Board, implementing and monitoring policies and processes related to the Company’s corporate governance guidelines.

2. Composition

(a) At Least Three Members. The Governance Committee shall consist of a minimum of three independent directors as defined in Section 2(b) below. The Board shall designate a Governance Committee member as the Chairperson of the Governance Committee, or if the Board does not do so, the Governance Committee members shall appoint a Governance Committee member as Chairperson by a majority vote of the authorized number of Governance Committee members.

(b) Independence. All members of the Governance Committee shall be “independent” as determined by the Board and the rules and regulations of the applicable securities commissions and applicable stock exchange rules and any other laws applicable to the Company.

(c) Appointment. Subject to the requirements of the bylaws of the Company and any rules or regulations of applicable securities commissions and stock exchanges, the Board shall appoint Governance Committee members at the first meeting of the Board following the Annual General Meeting. Members of the Governance Committee shall serve for one year terms and until their successors are appointed. The Board may fill vacancies on the Governance Committee by a majority vote of the authorized numbers of directors, but may remove Governance Committee members only with the approval of a majority of the independent directors then serving on the full Board.

3. Meetings, Reports and Resources of the Governance Committee

(a) Meetings. In discharging its responsibilities, the Governance Committee shall meet as often as it determines necessary or advisable, but not less than twice a year. The Governance Committee may also hold special meetings or act by unanimous written consent as the Governance Committee may decide. The meetings may be in person or telephone. The Governance 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.

(b) Procedures. The Governance Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this charter, the bylaws, or applicable laws or regulations. The Chairperson or majority of the Governance Committee members may call meetings of the Governance Committee. A majority of the authorized number of Governance Committee members shall constitute a quorum for the transaction of Governance Committee business, and the vote of a majority of the Governance Committee members present at the meeting at which a quorum is present shall be the act of the Governance Committee, unless in either case a greater number is required by this charter, the bylaws or applicable laws or regulations.

(c) Reports. The Governance Committee shall report its actions and recommendations to the Board after each Governance Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Governance Committee. The Governance Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

(d) Resources. The Governance Committee shall have the sole authority to retain and terminate any search firm engaged to assist in identifying director candidates, and to retain outside counsel and any other advisors as the Governance Committee may deem appropriate in its sole discretion. The Governance Committee shall have sole authority to approve the search firm's related fees and retention terms.

4. Authority and Responsibilities

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

(a) To lead the search for and identify individuals qualified to become members of the Board, consistent with the criteria approved by the Board, and to select director nominees to be presented at the Company's next Annual General Meeting, and one or more director nominees for each vacancy on the Board that occurs between Annual General Meetings, subject to legal rights, if any, of third parties to nominate or appoint directors. The Governance Committee shall select or recommend individuals as director nominees who meet the qualifications approved by the Board and who shall have high personal and professional integrity, who shall have demonstrated ability and 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's stockholders. Candidates recommended by the Company's stockholders shall be evaluated in the same manner as all other director nominees. The Governance Committee should consult fully with the CEO in its process of recruiting new directors.

(b) To review director candidates properly submitted by the Company's stockholders in accordance with submission procedures established by the Governance Committee.

(c) To prepare a policy on the orientation and training of new directors.

(d) To review and evaluate the Board's committee structure and ensure that the powers and responsibilities of each Board committee are set out in a charter. Also to make any recommendations it deems appropriate regarding revisions to the Board and Board committee's meeting policies.

(e) To recommend to the Board for its approval directors qualified 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 Governance Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.

(f) To regularly review issues and developments related to corporate governance issues including directorship practices, criteria for selecting directors, policies relating to tenure and retirement of directors, compensation and benefit programs for non-employee directors and to develop and recommend to the Board for its approval a Corporate Governance Policy and a Code of Business Conduct and Ethics applicable to the Company. The Governance Committee shall review the guidelines and the Code of Business Conduct and Ethics from time to time and recommend changes as necessary.

(g) Prior to each Annual General Meeting, review the size of the Board, its composition and its efficiency in order to make the necessary corrections in relation to the long-term needs of the Company and in accordance with the strategic development plan of the Company.

(h) To review at least annually the effectiveness of the Board, all Board committees, including the Governance Committee, and management, and to make recommendations for improvements and to

develop and recommend to the Board for its approval an annual self-evaluation process of the Board and its committees. The Governance Committee shall oversee the annual self-evaluation and may make recommendations to the Board for any improvements that the Governance Committee may deem appropriate in its sole discretion.

(i) To determine the reasons for the resignation of any director.

(j) To review and oversee the update of the Company's web site, bylaws and certificate of incorporation for compliance with applicable stock exchange rules and regulations, and the rules and regulations of applicable securities laws. .

(k) Review and assist the Board in developing succession plans for the Senior Officers and other appropriate management personnel. The Governance Committee shall also assist the Board in evaluating potential candidates for Senior Officers of the Company.

(l) Annually review each of the directors' contributions to the Board, and provide such information to the Board for its review.

(m) Ensure that the Company's policies on continuous disclosure and communications with analysts are updated as required and are provided to all new directors and Senior Officers.