



CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER

PURPOSE

The Corporate Governance, Nominating and Compensation Committee (the “**Committee**”) of Medical Facilities Corporation (the “**Corporation**”) is appointed by the board of directors of the Corporation (the “**Board**”) to assist the Board in discharging its responsibilities relating to the:

- development and recommendation of appropriate corporate governance guidelines for the Corporation;
- annual review of the performance of the Board, its committees and individual directors;
- review and oversight of the annual regulatory filings;
- development and recommendation of criteria for selecting new Board members and identifying and considering candidates;
- recommendation of the director nominees for each annual meeting of shareholders and for membership of each committee of the Board;
- recommendation of the form and quantum of compensation for non-executive directors, committees and chairs of the Board and its committees;
- review and oversight of the evaluation of the performance of the Corporation’s senior executives;
- design and recommendation of the compensation framework of the Corporation’s senior executives, including compensation plans, benefit plans, policies and programs;
- oversight of succession planning and development with respect to the Corporation’s senior executives;
- oversight of the executive performance at the Corporation’s direct subsidiaries, Medical Facilities America, Inc. (“**MFA**”) and Medical Facilities IMD Holdings, Inc. (“**MF IMD**”) and indirect subsidiary, Medical Facilities (USA) Holdings, Inc. (“**MFH**”) (together with the Corporation, the “**MFC Group**”); and
- oversight of the responsibilities and contractual rights of MFA, IMD and MFH in respect of executive performance at the Corporation’s subsidiaries.

REPORTS

The Committee shall report to the Board on a regular basis and before any public disclosure by the Corporation on compensation and governance matters.

The Committee shall review and approve reports on executive compensation as required by applicable legislation and regulations and/or pursuant to the Corporation's undertaking to provide necessary information to comply with its disclosure obligations.

The Committee shall prepare a report on the Corporation's corporate governance practices for inclusion in the management information circular or other public disclosure documents of the Corporation, including a report disclosing the extent (if any) to which the Corporation does not comply with corporate governance guidelines of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators or other relevant corporate governance guidelines.

The Committee shall report to the Board annually with an assessment of the performance of the Board, its committees and individual directors. The chair of the Board shall also discuss the report with all members of the Board.

COMPOSITION

The members of the Committee shall be two or more Board members who are appointed (and may be replaced) by the Board. The members shall be appointed annually and the chair shall be determined by the Board, failing which the committee members and chair shall continue on the Committee. The Committee shall meet the independence requirements of any relevant regulatory authority or stock exchange on which securities of the Corporation are listed.

Any member of the Committee will abstain from voting on any matter in which he or she has, or may have, a conflict of interest. In such event, the Board or the Committee members who are not so conflicted may appoint from the Board an interim member of the Committee for purposes of considering and/or approving such matter. Such interim member may serve only for such purpose.

REMUNERATION OF THE COMMITTEE MEMBERS

The members of the Committee and the chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

RESPONSIBILITIES

Corporate Governance and Compliance

The Committee shall:

- Make recommendations concerning the oversight of senior management.
- Annually review the size of the Board and the number of Board members who are independent for the purpose of applicable requirements or guidelines and Corporation policies regarding Board member independence.
- Annually review the adequacy of the corporate governance practices of the Corporation and recommend any proposed changes to the Board for approval.
- Annually review the practices of the Board (including separate meetings of non-executive Board members) to identify improvements in corporate governance practices.
- Annually review the powers, mandates and performance, and the membership of the various committees of the Board and, if appropriate, make recommendations to the Board.

- Annually review the performance of the Board, its committees, Board and committee chairs, and individual directors and report to the Board the results of the review. The chair of the Board will review with each of the individual directors the results of their review.
- Annually review the relationship between senior management and the Board and, if appropriate, make recommendations to the Board with a view to ensuring that the Board is able to function independently of management.
- Annually review with the Board the succession plans relating to the position of the CEO and, in consultation with the CEO, other senior positions, and make recommendations to the Board with respect to the selections of individuals to occupy these positions.
- Review and make recommendations to the Board with respect to the annual information form and the management information circular and other annual security filings prior to public disclosure by the Corporation.
- Review and oversee the Corporation's significant environmental, social and governance risks, strategies, policies, programs and practices.

Director Candidates

The Committee shall:

- Review annually the competencies, skills, diversity and personal qualities required of Board members, including: the objective of adding value to the Corporation in light of the opportunities and risks facing the Corporation and the Corporation's proposed strategies; the need to ensure the adequacy of expertise relevant to the Corporation's lines of business and markets; the need to ensure that a majority of the Board is comprised of individuals who meet the independence requirements of the applicable stock exchange rules, legislation or other guidelines; and that the Board is representative of the diversity of gender, cultural, demographic and geographic characteristics of the communities in which it operates and investors it represents.
- Review annually the policies of the Board with respect to Board member tenure, retirement and succession and Board member commitments and, if appropriate, make recommendations to the Board.
- Establish and oversee an appropriate orientation and education program for new Board members in order to familiarize them with the Corporation and its business (including the Corporation's reporting structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, management and the external auditors).
- Actively seek individuals qualified (in context of the Corporation's needs and any formal criteria established by the Board) to become members of the Board for recommendation to the Board.
- Annually review directors' and officers' insurance coverage and, from time to time, review the directors' and officers' indemnification agreement and recommend any changes to the Board.
- Review and recommend to the Board the membership and allocation of Board members to the various committees of the Board, and the chairs thereof.
- From time to time, review and make recommendations to the Board with respect to the compensation of non-executive Board members, the chair of the Board, and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming.

- Appoint and, if appropriate, terminate any search firm to be used to identify Board candidates and any compensation consultant to be used to assist in the evaluation of Board compensation and to approve the search firm's and compensation consultant's fees and other retention terms.

Engagement/Compensation of Senior Executives

The Committee shall:

- Make recommendations to the Board concerning the hiring and termination of the CEO of the Corporation. The CEO shall inform the Committee concerning the hiring and termination of the CEO's direct reports.
- Annually review the Corporation's compensation strategy to ensure it is viable, current and aligned with the long-term goals and objectives of the Corporation.
- Annually review and make recommendations, as appropriate, to the Board with respect to the Corporation's executive compensation programs and practices for senior executives, including incentive-compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change in control arrangements or provisions, and any special or supplemental benefits.
- Annually review and approve the position description and performance goals and objectives of the CEO. Recommend to the Board the CEO's performance goals annually to ensure his or her goals are aligned with the strategy and goals of the Corporation. Evaluate the CEO's annual performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on that evaluation.
- Approve share-based and option-based awards to senior executives pursuant to the Board's approval of total periodic awards under any of the Corporation's stock option or share-based plans.
- Annually, in consultation with the CEO, review key human resources policies and programs in place and under development related to manpower planning, management development, succession planning, career path planning and performance evaluation and their consistency with the strategy of the Corporation.
- Annually, in consultation with the CEO, review the Corporation's policies on salary administration, recruitment, job evaluation, pay and employment equity, basic incentive and total cash compensation, retirement benefits, and long-term incentives and recommend changes to the Board, if appropriate.
- Annually review the Corporation's policies and practices for ensuring that the Corporation complies with legal prohibitions, disclosure and other requirements on making or arranging for personal loans and amending or extending any such loans or arrangements.
- Select and engage any compensation consultant to assist in the evaluation of senior executive compensation and approve the consultant's fees and other retention terms.
- Review and recommend to the Board all executive compensation disclosure prior to public disclosure by the Corporation.
- Provide advice concerning the above-listed matters in respect of management of MFA, MF IMD and MFH.
- Advise the Board concerning MFH's oversight responsibilities and contractual rights in respect of executive performance at the Corporation's indirect subsidiaries.

MEETINGS

The Committee shall meet at least quarterly and more frequently as circumstances require. A quorum for meetings shall be a majority of the members of the Committee present in person or by telephone. All decisions shall be decided by a majority of the members present at the meeting.

Minutes of meetings shall be maintained, together with copies of materials presented at meetings, and copies be made available to all Board members.

The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel to attend meetings of the Committee or with any members of, or advisors to, the Committee. The CEO may be present at meetings of the Committee.

The Committee may form and delegate authority to individual members and subcommittees where the Committee determines it is appropriate to do so.

INDEPENDENT ADVICE

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Corporation, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

ANNUAL EVALUATION

Annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter.
- Review and assess the adequacy of this charter and recommend to the Board any improvements to this charter that the Committee believes to be appropriate.