

## **CHARTER OF THE EHS & GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS OF NORDION INC.**

The Company has combined the Environment, Health & Safety (EHS) Committee and the Corporate Governance & Nominating (Governance) Committee effective March 2010.

### **Purpose**

Attached as Appendices "A" and "B" are the purposes, principal duties and responsibilities of the Committee related to environment, health and safety and corporate governance and nominating, respectively.

Set out below are the general administrative provisions of the EHS & Governance Committee (Committee).

### **Approval of Charter**

The Committee shall review and reassess annually the adequacy of this Charter. Future changes of a material nature to this Charter require approval by the Board based on the recommendation of this Committee.

Authority to make minor technical amendments to this Committee Charter is delegated to the Corporate Secretary of the Company, who shall report any amendments to the Committee and Board of Directors at its next meeting.

### **Chair**

The Chair of the Committee shall have the duties and responsibilities set forth in Appendix "C".

### **Structure and Composition**

The Committee shall consist of not less than three members of the Board, all of whom shall meet the independence requirements of applicable law and the listing standards of the Toronto Stock Exchange and the New York Stock Exchange.

The members of the Committee shall be appointed by the Board annually or until successors are duly appointed on the recommendation of the Committee.

The Board may remove members of the Committee at any time for any reason.

Compensation for Committee members shall be approved by the Board on the recommendation of this Committee.

The Chair of the Committee shall be appointed by the Board and serve at the pleasure of the Board. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary Chair for such meeting from among its members present at the meeting.

**Meetings**

The Committee shall meet at least four times annually and more frequently as circumstances dictate.

A majority of Committee members present in person or by phone shall constitute a quorum for meetings of the Committee.

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 or provide consultations to the Committee or any member thereof.

The Committee shall report regularly to the Board on its proceedings, and maintain appropriate minutes or other records.

The Corporate Secretary of the Company shall normally attend meetings of the Committee and act as Secretary of the meeting. Others may also attend meetings as the Committee may request.

Notice of all meetings of the Committee shall be sent to Committee members.

**Resolutions**

Resolutions of the Committee passed at a meeting shall require approval by a simple majority of members voting on such resolution.

Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

**Minutes and Reporting to the Board**

The Committee shall prepare written minutes of all of its meetings. In addition, the Chair of the Committee or designate shall report to the Board of Directors after each meeting the significant matters addressed by the Committee at such meeting and a copy of the minutes shall be made available to all members of the Board.

**Self-Assessment**

The Committee shall review annually the Committee's own performance.

**Corporate Knowledge and Other Activities**

The Committee shall carry out such other activities consistent with this Charter, the Company's by-laws and governing law, that the Committee or the Board deem necessary or appropriate.

**Other Advisors**

The Committee shall have the authority to consider and, if appropriate, approve the engagement of outside advisors by any Director at the Company's expense.

The essence of the Committee's responsibilities is to monitor and review the activities described in this Charter to gain reasonable assurance (but not to ensure) that such activities are being conducted properly and effectively by the Company.

## Appendix "A"

### ENVIRONMENT, HEALTH & SAFETY

#### Purpose

To review and report regularly to the Board as to whether Nordion has appropriate Environment, Health and Safety management systems and controls and personnel in place with adequate resources to meet its principal duties and responsibilities.

Such systems and controls, including the Company's EHS policies and practices are intended, in part, to demonstrate to employees, customers and shareholders of Nordion as well as the communities in which Nordion carries on business, the performance expectations of the Company in the area of environment, health and safety.

#### Principal Duties and Responsibilities

Without limiting the generality of the foregoing, the Committee shall:

- review, provide assistance with the development of and approve on an annual basis an over-all Environment, Health & Safety a strategic plan and shall monitor its implementation.
- with the head of Environment, Health and Safety of the Company (the "Head of EHS"), develop and oversee programs for the effective management of environmental and health and safety across the Company and the Head of EHS shall review such programs and update this Committee on their effectiveness on a quarterly basis, or more frequent basis as required.
- be advised on a timely basis by the Head of EHS, of any Significant EHS Event and of steps which have been taken or which are recommended to both correct the situation and mitigate recurrence. The determination of "Significant EHS Event" shall be based on criteria developed by this Committee and the Head of EHS' judgment in the particular circumstances. In addition, the Head of EHS shall report at each meeting of the Committee all environment and health and safety incidents or occurrences which constitute a Significant EHS Event as defined in the Charter, such other incidents or occurrences as the Head of EHS believes should be drawn to the Committee's attention and, in all cases, the steps taken to address such incidents or occurrences. The Head of EHS shall also report to each meeting of the Committee on the overall environment and health and safety performance of the Company.
- Be provided on an annual basis by the Head of EHS with a summary of any Significant EHS Event as well as complaints, charges, prosecutions, convictions, investigations, orders and any other situations of non-compliance with environmental laws or health and safety legislation, regulations, industry standards or internal policies of the Company which have impacted or which might impact on the operations of the Company or its reputation. The Committee shall present this annual summary to the full Board.

- through the Committee Chair, or an alternate, regularly report to the Board on any Significant EHS Events. Where the circumstances warrant, the report shall be made to the Board between meetings.
- review any recommendations of the Senior leadership team of the Company related to Environment, Health and Safety matters presented by the Head of EHS.
- review and assess on an annual basis the Environment, Health and Safety Management System of the Company, shall report to the Board on any recommended action to maintain, strengthen or improve such System and monitor over-all performance with a view to sustainable continuous improvements in environment, health and safety.
- review all environment, health and safety issues related to any acquisitions, mergers or other similar transactions as reported on by the Head of EHS.
- visit sites as necessary or appropriate for the purposes of: meeting those site employees responsible for environment, health and safety; and conducting an environment and/or a health and safety related review of the site.
- Receive a regular report on any environment, health and safety issues that are brought to or managed by the Corporate Crisis Communications Team and, where appropriate, report them to the Board.

## Appendix "B"

### GOVERNANCE

#### Purpose

To oversee the development of guidelines and practices to make Nordion a leader in sound and effective corporate governance and to take all appropriate steps to continually review, monitor and improve such practices.

#### Principal Duties and Responsibilities

Without limiting the generality of the foregoing, the Committee shall:

##### GOVERNANCE

- develop and recommend to the Board of Directors, corporate governance guidelines and practices applicable to the Company;
- annually review the corporate governance guidelines and practices of the Company and, if appropriate, recommend changes to such guidelines and practices to the Board of Directors and management.
- Review quarterly the Company's governance practices against applicable regulatory and statutory requirements.
- Review quarterly the Company's governance practices against recommended best practices.
- monitor the appropriateness of the Company's governance systems with regard to external governance standards and with emphasis on "continuous improvement".
- review proposed annual corporate governance proxy disclosure before submission to the Board of Directors.
- review annually the effectiveness of the Board of Directors, the Board Chair, Committee Chairs and Committees.
- review annually with the Board Chair the process for the review of effectiveness of individual directors.
- review any shareholder proposal received by the Company and recommend to the Board of Directors the Company's response.
- review annually the Take-Over Preparedness Plan process.
- Review annually and recommend to the Board the form and adequacy of compensation for independent directors and Committee members and the compensation of any ad hoc Committee established by the Board.

## NOMINATING

- in consultation with the Board and CEO, review the makeup and needs of the Board of Directors, identifying and recommending candidates for Board membership.
- in consultation with the CEO, recommend the criteria for Board membership; such criteria should cover, among other things, diversity, experience, skill set and the ability to act on behalf of shareholders.
- in consultation with the Board and CEO and, on an ongoing basis, maintain a database of potential candidates for Board membership.
- utilize such outside agencies or third parties at the cost of the Company, as the Committee deems necessary to assist in identifying potential candidates.
- Review annually and make recommendations from time to time on the Guidelines for Selection, Term, Retirement and Evaluation of Directors.
- recommend to the Board the annual nominees to the Board for presentation to the shareholders.
- recommend to the Board on an annual basis the composition of the Standing Committees of the Board.



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**APPENDIX "C"**

**POSITION DESCRIPTION CHAIR OF EHS & GOVERNANCE COMMITTEE**

In addition to the duties and responsibilities set out in the Board of Directors Charter and the Charter of the EHS & Governance Committee, the chair (the "Chair") of the EHS & Governance Committee (the "Committee") of Nordion Inc. (the "Company") has the following duties and responsibilities described below:

Provide overall leadership to enhance the effectiveness of the Committee, including:

- a. Recommend and oversee the appropriate structure, composition, membership and activities delegated to the Committee;
  - b. Chair all meetings of the Committee and manage agenda items so appropriate consideration can be given to agenda items;
  - c. Encourage Committee members to ask questions and express viewpoints during meetings;
  - d. Schedule and set the agenda for Committee meetings with input from other Committee members, the Chair of the Board of Directors and management as appropriate;
  - e. Facilitate the timely, accurate and proper flow of information to and from the Committee;
  - f. Arrange for management, internal personnel, external advisors and others to attend and present at Committee meetings as appropriate;
  - g. Arrange sufficient time during Committee meetings to fully discuss agenda items;
  - h. Oversee the carrying out of the responsibilities and duties of the Committee, as outlined in its Charter and review the Charter and duties and responsibilities with Committee members on a regular basis; and
  - i. Participate with the Chair of the Board in evaluation of individual directors.
2. Foster ethical and responsible decision-making by the Committee and its individual members.
  3. Provide for in-camera sessions at all scheduled meetings of the Committee.
  4. Following each meeting of the Committee, report to the Board of Directors on the principal activities, findings and any recommendations of the Committee.
  5. Carry out such other duties as may reasonably be requested by the Board of Directors.