



## 2.2 Compensation, Nominating and Governance Committee Charter

### COMMITTEE'S PURPOSE

The Compensation, Governance and Nominating Committee (the "Committee") is appointed by Board of Directors (the "Board") of Altair Nanotechnologies ("Company") to discharge the Board's responsibilities relating to compensation of the Company's directors and officers, to oversee and monitor the Company's management in the interest and for the benefit of the Company's stockholders and assist the board by identifying individuals qualified to become board members. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement.

### COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements adopted by the Board of Directors with reference to the requirements of the Nasdaq Stock Market (the "Nasdaq Rules") and the United States and governing Canadian corporate and securities laws and the rules promulgated thereunder (the "Securities Laws"), and shall be independent directors within the meaning of section 162(m) of the Internal Revenue Code of 1986 and regulations promulgated thereunder (the "IRC").

The composition of the Committee shall be determined by the Board from time to time, and Committee members may be removed at any time by the Board. Committee members shall serve for a period of one year unless a member resigns or is replaced by the Board of Directors and their successor appointed.

### MEETINGS

The Committee shall meet as often as necessary to carry out its responsibilities but not less than two times each year. Meetings can be called by any member of the Committee.

### COMMITTEE AUTHORITY AND RESPONSIBILITIES RELATED TO COMPENSATION MATTERS

1. The Committee shall have the authority to retain and terminate any legal counsel or compensation or other consultant to be used to assist in the evaluation of director or executive compensation and shall have authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors and the authority to approve the payment of the advisor's fees and other retention terms. Unless special circumstances require the fact or terms of any such engagement or appointment to be kept confidential from the Chief Financial Officer, the Committee shall promptly notify the Chief Financial Officer of the fact and terms of any such appointment or engagement, and provide copies of related agreement, and shall cause all invoices to be forwarded to or at the direction of the Chief Financial Officer promptly following receipt. Confidential portions of any agreement or invoice may be redacted. All fees and other retention items for compensation consultants, internal or external legal, accounting or other advisors shall be paid by the Company.

2. *Chairman and/or the Chief Executive Officer.* The Committee shall set corporate goals and objectives relevant to the Chief Executive Officer's compensation. In determining each of the compensation elements (base salary and incentive bonus) of the Chief Executive Officer compensation, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer in past years. The Committee shall annually review and evaluate, including a written evaluation to be included in the annual proxy statement, the Chief Executive Officer's performance in light of those goals and objectives. The Committee will have the authority, subject to the authority of the Board, to approve, amend, or terminate for the Chief Executive Officer of the Company the following compensation levels based on this evaluation: (a) annual base salary level, (b) annual incentive opportunity level, (c) long-term incentive opportunity level, (d) employment agreements or severance arrangements, and (e) any special or supplemental benefits except as provided in Paragraph 6 of this Charter. The Chief Executive Officer may not be present during deliberations or voting regarding his compensation.
3. *Other Executives.* The Committee shall set corporate goals and objectives relevant to the Chief Financial Officer's compensation and that of other executive of the Company, in collaboration or consultation with the CEO. The Committee shall annually review and evaluate, including a written evaluation to be included in the Company's proxy statement, the Chief Financial Officer's performance in light of those goals and objectives. The Committee shall annually review and will have the authority, subject to the authority of the Board, to approve, amend or terminate for the executives of the Company, other than the Chief Executive Officer, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements or severance arrangements, and (e) any special or supplemental benefits except as provided in Paragraph 6 below.
4. *Directors.* The Committee will have the authority to approve, amend or terminate for directors (a) the annual compensation, and (b) any additional compensation for service on committees of the Board, service as a committee chairman, meeting fees or any other benefit payable by virtue of the director's position as a member of the Board of Directors, except as provided in Paragraph 6 below.
5. *Compensation and Benefit Plans.* The Committee shall be the "Committee" for purposes of the Company's 2005 Stock Incentive Plan (the "2005 Plan") and have all rights and authority not expressly reserved for the Board under the 2005 Plan. The Committee may delegate such authority to a subcommittee as it deems appropriate, subject to any limitations under the IRC, the Nasdaq Rules and the Securities Laws. The Committee will have the authority, subject to the authority of the Board and any limitations imposed by any such plan, the IRC, the Nasdaq Rules or the Securities Laws, to approve, amend or terminate incentive compensation plans and any qualified equity compensation plans, including the approval, amendment or termination of any tax-qualified plan or section 125 plan, except as provided in Paragraph 6 of this Charter. The Committee shall have the sole authority to appoint and remove various plan trustees, appoint and remove members of the Administrative Committee; and to appoint and remove the Plan Administrator.
6. *Ratification Required by the Board.* The following shall be presented as a recommendation to the full Board for consideration and approval: (i) any action, including, but not limited to, the adoption or amendment of any non-qualified equity compensation plan, and (ii) any approval, amendment or termination of change in control agreements/provisions related to the directors or officers of the

Company. In the event the recommendation of the Committee is not approved by the Board, the recommended action must be returned to the Committee for further consideration. Any future Committee recommendations regarding such items must, again, be presented to the Board for its approval.

For the purpose of this Charter, a "non-qualified equity compensation plan" shall mean any plan that does not meet the requirements of Section 401 (a), 422 or 423 of the Internal Revenue Code, as amended or the definition of an "excess benefit plan" within the meaning Section 3(36) of the Employee Retirement Security Act.

7. *Annual Report.* The Committee shall produce an annual report on executive compensation, and a compensation discussion and analysis, for inclusion in the Company's proxy statement.
8. *Human Resource Strategies.* The Committee will oversee and evaluate the Company's overall human resources and compensation structure, policies and programs, and assess whether these establish appropriate incentives and leadership development opportunities for management and other employees. The Committee will also monitor progress on the Company's organizational development activities, including management depth, company-wide organization & talent review and market competitiveness of the Company's total compensation program. The Committee will also annually specifically review each component of executive compensation using market data.
9. *Cash Effect.* The Committee shall monitor the cumulative cash effect on the Company caused by bonus and other cash-based incentive plans of the Company, especially in relation to the Company's net income for the applicable year(s).
10. *Stock Ownership Policy.* The Committee shall establish and monitor the stock ownership policy with regard to the officers and directors of the Company and monitor compliance with this policy.

#### COMMITTEE AUTHORITY AND RESPONSIBILITIES RELATED TO GOVERNANCE

11. *Corporate Governance Guidelines.* The Committee shall develop and recommend Corporate Governance Guidelines to the Board for adoption, periodically review and assess such guidelines and, if appropriate, recommend any changes to the Guidelines which are deemed warranted.
12. *Act as Proxy.* The Committee shall act as proxies on behalf of all stockholders who elect to vote by proxy at the Company's special and annual meetings of stockholders.
13. *Independence Standards.* The Committee shall develop and recommend to the Board appropriate standards for determining whether a director meets any applicable independence requirements.
14. *Board Evaluation.* The Committee shall establish and manage the annual evaluation program of the Board as well as the Board's committees, including receipt of self evaluation comments from all directors. The committee shall report to the full board with an assessment of the performance of the board and its committees and recommend improvements where warranted.

15. *Adequacy of Charters.* The Committee shall review periodically the adequacy of the charters adopted by each standing committee of the Board, recommend revisions when appropriate and oversee such revisions.
16. *Committee Membership.* The Committee shall recommend to the Board (after consulting with the Company's Chief Executive Officer and taking into consideration any requirements for director independence and the preferences of individual directors) the membership, including the chairs, of each Board Committee. This shall include advising the Board on committee appointments and removal and the rotation of committee members.
17. *Board Member Orientation.* The Committee shall be responsible for the orientation process for new directors as well as establishing and overseeing the development of a continuing education program for directors.
18. *Stock Ownership Guidelines.* The Committee shall recommend whether stock ownership guidelines applicable to directors should be adopted, periodically review any such guidelines, recommend to the Board revisions to such guidelines, when appropriate, and oversee such revisions.
19. *Succession.* The Committee shall make an annual report to the Board on emergency as well as expected CEO succession planning. The CEO shall provide the Committee with his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.
20. *Stockholder Proposals.* The Committee shall review and make recommendations to the Board regarding any stockholder proposals pertaining to corporate governance.

#### COMMITTEE AUTHORITY AND RESPONSIBILITIES RELATED TO NOMINATIONS

21. *Nominations.* The Committee shall evaluate potential nominees for membership on the Board and propose a slate of nominee to the Board for each annual meeting (and propose one or more replacements to the Board to fill any vacancy occurring outside of an annual meeting. Final nomination and appointment decisions shall be made by the board. The primary duties and responsibilities of the Committee related to the review and selection of nominees for the Board shall be as follows:
  - Establish criteria for the selection of nominees to serve as directors of the Company. Such criteria shall generally include, but not necessarily be limited to, the factors listed in Appendix A hereto. Such criteria shall be reviewed periodically by the Committee, and modified as deemed appropriate.
  - Conduct searches for prospective board members whose skills and attributes reflect such desired criteria and who have the time and ability to exercise independent judgment and perform the Board's oversight function effectively. In doing so, the committee may, but is not required to, consider candidates proposed management.
  - Receive and review any stockholder recommendations for the director nominations for the Board provided that such recommendations are submitted to the Company in accordance with the

requirements and procedures set forth in the Company's By-Laws, the Companies most recent proxy statement and the Securities Laws.

#### OTHER DUTIES AND RESPONSIBILITIES

22. *Miscellaneous.* The Committee shall perform any other activities consistent with this Charter, the Company's By-Laws, and applicable laws and regulations, as the Committee deems appropriate or as requested by the Board.
23. *Report to the Board.* Following each action by the Committee, the Committee shall make a full report to the Board at the next regularly scheduled meeting of the full Board.
24. *Charter Review and Amendment.* This Charter may be amended only by the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board. The Committee shall annually review its own performance by distributing to its members a written self-assessment. The results of such self-assessment shall be presented to the Board of Directors at its next meeting.
25. *Delegation/Written Consent.* The Committee may form and delegate authority to subcommittees when it determines that such action is appropriate under the circumstances; and the Committee may take action in the absence of a meeting by unanimous written consent of all members.
26. *Executive Session.* The Committee shall determine which officers of the Company or other visitors to invite to the Committee's meetings. In the sole discretion of the Committee, the Committee may meet in executive session at any time.

## **COMMITTEE OPERATIONS**

The Committee shall meet in person or telephonically at a time and place determined by the Chairman of the Committee, with further meeting to occur, or actions to be taken by unanimous written consent, when deemed appropriate or desirable by the Committee Chairman. A majority of the Committee members shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting when a quorum is present will constitute the actions of the Committee. The Secretary of the Company, or his or her designee, will keep minutes of all Committee meetings, which will be distributed to all members of the Board. Prior to each meeting, a preliminary agenda will be prepared by either the Secretary or the Chairman of the Committee. The Chairman of the Committee will make the final decision regarding the agenda. The agenda and all materials to be reviewed at the meeting shall be received by the Committee members as far in advance of the meeting date as reasonably practicable. The Committee shall have such resources and authority as it deems desirable or appropriate to discharge its duties and responsibilities, including the authority to obtain advice and assistance from internal or external legal, human resource, accounting or other experts, advisors or consultants, without seeking approval of the Board or management. Such independent advisors may be the regular advisors of the Company. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.

## Appendix A

### Altair Nanotechnologies Inc. Criteria for Nomination as a Director

---

#### General Criteria

1. Nominees should have reputation for integrity, honesty and adherence to high ethical standards.
2. Nominees should have demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Company and should be willing and able to contribute positively to the decision-making process of the company.
3. Nominees should have a commitment to understand the Company and its industry and to regularly attend and participate in meetings of the board and its committees.
4. Nominees should have the interest and ability to understand the interests of the various constituencies of the Company, which include stockholders, employees, customers, governmental units, creditors and the general public, and to act in the interests of all stockholders.
5. Nominees should not have, nor appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all the company's stockholders and to fulfill the responsibilities of a director.
6. Nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law. The value of diversity on the Board should be considered.
7. Nominees should normally be able to serve for at least three years before reaching the age of 70.

#### Application of Criteria to Existing Directors

The re-nomination of existing Directors should not be viewed as automatic, but should be based on continuing qualification under the criteria set forth above. In addition, the Nominating and Corporate Governance Committee shall consider the existing directors' performance on the Board and any committee.

#### Criteria for Composition of the Board

The backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities that shall assist the Board in fulfilling its responsibilities.