

EXACTEARTH LTD.

(the “Corporation”)

CORPORATE GOVERNANCE FRAMEWORK AND STANDARDS

I. Approach

The Board of Directors of the Corporation (the “**Board**”) conducts all of its proceedings in an ethical and responsible manner that provides confidence that the interests of shareholders and the Corporation are continuously protected, enhanced and reported.

- *Compliance:* We comply with all applicable laws, regulations and disclosure requirements as specified by the *Securities Act* (Ontario).
- *Collaboration:* We understand that transparency to shareholders and regulatory authorities is a key component of good corporate governance.
- *Accountability:* We recognize that each Board member and the collective Board are required to act in the interests of the Corporation without conflict of interest, and to do so with the care, diligence and skill that a reasonably prudent person would use in a comparable situation.
- *Integration:* Written policies and procedures are in place to provide direction to the management of the Corporation on the expectations of the Board, while providing visibility to our shareholders and other stakeholders of our ongoing practices.
- *Pro-activeness:* We provide a risk-management framework and oversight to anticipate, prevent, and mitigate potential adverse effects, while taking advantage of potential opportunities to enhance the Corporation.

II. Framework

The Corporation’s governance framework is based on the agency model of governance, with the Board acting in a stewardship role on behalf of the shareholders as principals, and directly interacting with the management team as agents. The Board provides direction and control of the Corporation's business in a way that ensures effective application of resources and transparent accountability for results. A block diagram of the Corporation’s governance framework is presented at Illustration 1.

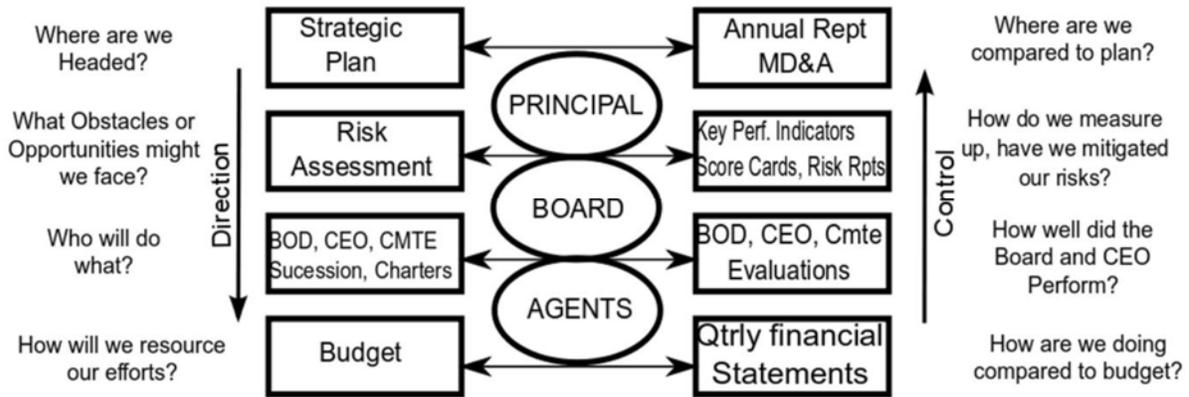


Illustration 1: Agency Model of Governance (Source: Brown Governance, via The Directors College, DeGroote School of Business, McMaster University)

During normal operations the authority to conduct day to day business is delegated to Management through the Chief Executive Officer. The Board sets strategic direction, exercises control, and oversees the regular operations by meeting regularly throughout the year and reporting back to the shareholders at the Annual General Meeting of shareholders and through periodic news releases. The Board's direction and control is accomplished via a set of key planning and reporting documents as well as the delegation of authorities which defines the line between the Board's role and Management's role. Areas of responsibility and authority reserved by the Board that are not delegated are set forth in the Board's Charter and are either carried out by the committees of the Board or by the Board as a whole. These key responsibilities include but are not limited to the following areas:

- Strategic planning process and approval of strategy.
- Selection, goal-setting, evaluation and compensation of directors and executive management.
- Management of risk, capital and internal controls.
- Monitoring of progress against strategic and business goals.
- Financial reporting and regulatory compliance.
- Review and approval of material transactions.
- Board operations and the evaluation of Board and individual director effectiveness.

III. Governance Standards

In an effort to ensure that the Corporation meets or exceeds all applicable laws, regulations, and requirements set forth in the constating documents, by-laws, policies, and codes, as well as discloses honestly and fully the actual operating condition of the Corporation, the

standards set forth at Appendix I are adopted. These standards define the elements of the Corporation's corporate governance system and are assessed annually by the Corporate Governance and Nominating Committee. Where potential non-compliances or areas of improvement exist versus those standards, actions are documented to remedy those as part of the annual assessment. These standards do not include the Corporation's audit standards or audit disclosures, which are documented separately.

Appendix I Standards

Composition of the Board and Committees
Majority of independent directors.
Define and report to shareholders on the Corporation's definition of independence and conflict of interest guidelines.
Chair is an independent director.
Chair and CEO are separate.
Audit committee consists only of independent directors.
Human Resources and Compensation Committee (HRCC) consists only of independent directors.
Corporate Governance and Nominating Committee consists only of independent directors.
Meetings of Independent Directors
Independent directors meet without management and non-independent directors at every regularly scheduled Board meeting.
Board and Committee Mandates
Well-defined charter exists for the Board.
Well-defined charters exist for the HRCC and Corporate Governance and Nominating Committees.
Well-defined charter exists for the Audit Committee that includes full compliance to enacted and emerging regulatory standards.
Position Descriptions
<i>Clear position descriptions exist for:</i>
<ul style="list-style-type: none"> • Chair of the Board
<ul style="list-style-type: none"> • Chair of each Board Committee within the Committee Charters
<ul style="list-style-type: none"> • CEO
<i>Processes are defined and undertaken whereby the Board</i>
<ul style="list-style-type: none"> • Defines and reviews the corporate goals and objectives that the CEO is responsible for meeting.
<ul style="list-style-type: none"> • Has an annual review process and annually reviews succession plan for the CEO.
<ul style="list-style-type: none"> • Requires the CEO to leave the Board following retirement.
Orientation and Continuing Education
There is a well-defined and comprehensive orientation for new directors, as well as readily available and current materials for easy reference by directors.

All directors are to be members of the Institute of Corporate Directors (under the Corporation's membership) and provided the opportunity for ongoing continuing education relevant to their assigned Committee roles, at the Corporation's expense.
Code of Business Conduct and Ethics
A well-defined code of business conduct and ethics is adopted and applies to all directors, officers and employees of the Corporation.
The Board is responsible for monitoring compliance with the code and is the sole authority for amending it.
An independent 'whistle-blower' methodology is in place to ensure anonymity for any reporters of violations.
Nomination of Directors
The Corporate Governance and Nominating Committee and Board have adopted a written process to address the requirements per 3.12, 3.13 and 3.14 of NP 58-201.
Requirements of directors are published and form the criteria for selection and development of Board members. As a minimum, these include requirements for integrity, and suitable availability of time to perform prescribed duties.
Biographies of the directors are publicly available and explain each director's independence and how the directors' qualifications serve to represent shareholders. The biographies include the independence status of the director and the skills or unique experience he/she brings to the Board.
There is no retirement policy for directors.
Compensation
Meet all the current regulatory requirements for Compensation Disclosure for Named Executive Officers.
The Compensation Committee has the full authority to engage and compensate an independent outside advisor that it views as necessary to carry out its duties.
The CEO's compensation includes shares or share units.
A portion of director's compensation consists of deferred share units. Directors are required by the Charter of Director Duties and Expectations to hold all equity awards until they leave the Board.
The Corporation discloses the gains reaped by executives from exercising stock options over the prior year.
The Corporation discloses the total cost of compensation to the top executive team as a percentage of the total profit or total shareholder return for the year.
The Corporation calculates and displays the prior year's grant rate for option grants as a percentage of shares outstanding.

<p>The CEO's compensation has been determined from a peer group of companies, and there is an element of it that is dependent upon the performance relative to a peer group of companies.</p>
<p>Regular Board Assessments</p>
<p>The Board, its Committees, and each individual director are annually assessed regarding its, his or her effectiveness and contribution, versus criteria provided in the relevant defined mandates.</p>
<p>Shareholders are allowed to vote for individual directors annually; i.e. no slates.</p>
<p>An attendance expectation for the directors is in place and is reported on annually to shareholders.</p>
<p>Management Oversight and Strategic Planning</p>
<p>The Board meets annually with management to review in depth the Corporation's strategic plan.</p>
<p>The Board meets annually with management to review and approve the upcoming year's business plan for adequacy to meet the Corporation's strategy and the regulatory, cultural and government constraints on the business.</p>
<p>A sound framework for risk oversight and management has been established.</p>
<p>The Board is fully engaged in the oversight of the Corporation's strategic plan through the Strategy Committee, ensuring that the plan is reflected in the CEO's annual goals and appraisal process.</p>
<p>Disclosure</p>
<p>The Corporate Governance and Nominating Committee ensures that policies and procedures are in place to ensure that NI 58-101 Disclosure of Corporate Governance Practices is met.</p>