

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE CHARTER
SOPHIRIS BIO INC.
(the “Company”)

As revised and adopted by the Board of Directors (the “Board”) on February 11, 2013

1. Purpose

The primary purposes of the Corporate Governance and Nomination Committee (the “**Governance Committee**”) of the Board are to assist 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 meeting of shareholders, (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 unrelated or 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 “unrelated” or “independent” as determined by the Board, applicable securities laws, the rules and regulations of the applicable securities regulatory authorities and stock exchanges and any other laws applicable to the Company, including any exceptions permitted by these requirements.

(c) Appointment and Removal. The Board shall appoint Governance Committee members at the first meeting of the Board following the annual meeting of shareholders. 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, Procedures 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 articles, 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. The Governance Committee shall review, discuss and assess its own performance at least annually. The Governance Committee shall also periodically review and assess the adequacy of this charter, including the Governance Committee's role and responsibilities as outlined in this Charter, and shall recommend any proposed changes to the Board for its consideration.

(c) 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, subject to the Company's constating documents and applicable laws:

(a) To lead the search for and identify individuals qualified to become members of the Board, consistent with the criteria set out in the Board Mandate and approved by the Board from time to time, and to select director nominees to be presented at the Company's next annual meeting of shareholders, and one or more director nominees for each vacancy on the Board that occurs between annual meetings of shareholders, 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 shareholders. Candidates recommended by the Company's shareholders 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 shareholders 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 any 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 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 meeting of shareholders, to 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. This assessment shall include evaluation of the Board's contribution as a whole and effectiveness in serving the best interests of the Company and its shareholders, specific areas in which the Board and/or management believe contributions could be improved, and overall Board composition and makeup, including the reelection of current Board members. The factors to be considered shall include whether the directors, both individually and collectively, can and do provide the integrity, experience, judgment, commitment (including having sufficient time to devote to the Company and level of participation), skills, diversity and expertise appropriate for the Company. In assessing the directors, both individually and collectively, the Committee may consider the current needs of the Board and the Company to maintain a balance of knowledge, experience and capability in various areas. The Committee shall also consider and assess the independence of directors, including whether a majority of the Board continue to be independent from management in both fact and appearance, as well as within the meaning prescribed by any of the applicable securities laws and the rules and regulations of any applicable securities regulatory authority and stock exchange. The results of these reviews shall be provided to the Board for further discussion as appropriate. 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 assist the Board in developing succession plans for the senior officers and other management personnel. The Governance Committee shall also assist the Board in evaluating potential candidates for senior officers of the Company.

(k) To review, on an annual basis, each of the directors' contributions to the Board, and provide such information to the Board for its review.

(l) To ensure that new directors and senior officers of the Company are aware of their obligations and responsibilities under the Company's Corporate Disclosure Policy.

(m) The Committee shall periodically review Company policy statements to determine their adherence to the Company's Code of Business Conduct and Ethics (the "**Code**") and consider any requests by directors or executive officers of the Company for a waiver from the Code.

(n) The Committee shall oversee and review the processes and procedures used by the Company to provide information to the Board and its committees. The Committee should consider, among other factors, the reporting channels through which the Board and its committees receive information and the level of access to outside advisors where necessary or appropriate, as well as the procedures for providing accurate, relevant and appropriately detailed information to the Board and its committees on a timely basis.

The approval of this Governance Committee Charter shall be construed as delegation of authority to the Compensation Committee with respect to the responsibilities set forth herein.