



I M A G I N E

CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER (2007 Version)

Ratified by the Board of Directors, December 13, 2006

A committee of the board of directors of Imagine Group Holdings Limited (the “Company”) to be known as the Corporate Governance and Human Resources (or CGHR) Committee (the “Committee”) shall have the following terms of reference:

MEMBERSHIP AND CHAIRMAN

Following each annual meeting of shareholders, the board of directors of the Company (the “Board”) shall appoint from its number two or more directors (the “Members” and each a “Member”), to serve on the Committee until the close of the next annual meeting of shareholders of the Company or until the Member ceases to be a director, resigns or is replaced, whichever occurs first.

Members may, and at any time where applicable law or regulations so requires, shall be Independent Directors. Any Member may be removed from office or replaced at any time by the Board.

The Board shall appoint one Member as the chairman of the Committee, which Member should be an Independent Director. If the chairman is absent from a meeting, the Members shall select a chairman from those in attendance to act as chairman of the meeting.

RESPONSIBILITIES – CORPORATE GOVERNANCE AND NOMINATIONS

The Committee shall:

- (a) consider annually the appropriate size and composition of the Board and its committees, and submit recommendations on the number of Board positions to be filled and the overall composition of the Board taking into consideration the business experience and specific areas of expertise of each current director;
- (b) develop and maintain a Board succession plan that is responsive to the Company’s needs and the interests of its shareholders;
- (c) establish and document the qualifications (consistent with any objective criteria approved by the Board) and prepare position descriptions for new directors and procedures for identifying possible nominees who meet these criteria (including the use of recruitment consultants and/or advertising, if desirable);
- (d) review and assess the qualifications of persons proposed for appointment or election to the Board and submit to the Board for consideration and decision, consistent with any criteria approved by the Board, the names of persons to be nominated for election as directors at the annual meeting of shareholders, or to be appointed to fill vacancies between annual meetings and assess whether these candidates would be considered Independent Directors and/or suitably qualified and experienced to serve as Board committee members;
- (e) be available as a forum for addressing the concerns of individual directors regarding corporate governance matters;

- (f) assist the Chairman of the Board in providing new directors with a proper orientation to both the Company and their responsibilities and duties as directors and with appropriate continuing education opportunities;
- (g) together with the Chairman of the Board, establish a process for annually reviewing directors' performance and oversee the annual evaluation of the Board and management (including, for the avoidance of doubt, the Chairman of the Board and the chairman of Board committees, as well as individual directors in respect of their participation on the Board and on Board committees);
- (h) periodically review the adequacy and form of director compensation and make recommendations to the Board where appropriate, such recommendations to include remuneration of executive directors, non-executive directors and the Chairman of the Board;
- (i) review, in conjunction with the Chairman of the Board and management, the program of the Board for each year, and the methods and processes to be pursued in carrying out this program including:
 - (i) the frequency and content of meetings and the requirement for any special meetings;
 - (ii) the foreseeable issues to be presented to the Board at its meeting, including a list of prospective topics for presentation and discussion; and
 - (iii) review and make recommendations with respect to the disclosure required concerning corporate governance to be contained in public disclosure documents of the Company;
- (j) report on an annual basis on the effectiveness of the performance of the Board as a whole and individual directors, including specifically reviewing areas in which effectiveness may be enhanced, taking into account suggestions of the Board and taking into account the time commitments of non-executive directors;
- (k) review and assess any corporate governance guidelines that may be established by the Company and make recommendations to the Board, where appropriate, as to whether any guidelines ought to be developed, or established guidelines ought to be amended;
- (l) annually review the charters of each existing committee and recommend any amendments to the Board, where appropriate;
- (m) periodically review the position descriptions for the Chairman of the Board and the senior or lead director, if any, and recommend any amendments to the Board, where appropriate;
- (n) review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- (o) monitor relationships between senior management of the Company and the Board, and recommend procedures to allow directors to have access to, and an effective relationship with, senior management;
- (p) review and assess annually the Company's Code of Business Conduct and Ethics (the "Code") to confirm that it addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Company's

assets, compliance with applicable laws, rules and regulations (including insider trading laws) and the reporting of illegal or unethical behaviour, and establishes mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code;

- (q) approve, at the delegation of the Board, any waivers of the Code sought by directors or members of senior management and confirm that any waivers of the Code for directors or members of senior management are promptly disclosed to shareholders; and
- (r) review and make recommendations to the Board with respect to any shareholder proposal that relates to corporate governance including a director nomination by a shareholder.

RESPONSIBILITIES – HUMAN RESOURCES AND COMPENSATION

The Committee shall further:

- (a) review annually the existing human resources and plans to ensure that qualified personnel will be available for succession to senior management positions within the Company and its subsidiaries (collectively, the “Imagine Group”), and report on this matter to the Board at least annually;
- (b) consider proposed changes in senior management, and submit for the Board’s consideration and approval, the names of persons proposed to be appointed as officers;
- (c) annually review the position description of the Chief Executive Officer and establish objectives against which to review and assess the Chief Executive Officer’s performance (which review shall be undertaken in consultation with, and with the express input of, each member of the Board);
- (d) assess the performance of the Chief Executive Officer against the pre-agreed objectives and make recommendations to the Board, in consultation with, and with the express input of, each member of the Board, the Chief Executive Officer’s compensation level based on this assessment;
- (e) in consultation with the Chief Executive Officer, review and make recommendations to the Board with respect to salaries, performance awards and other remuneration including any severance arrangements of the Corporation’s senior management (other than the Chief Executive Officer); and should the Committee consider that any adjustment or awards would be appropriate, recommend such adjustments and awards for Board consideration and approval;
- (f) review and make recommendations to the Board with respect to the Imagine Group’s incentive compensation and equity based compensation plans, and make recommendations for Board consideration with respect to any proposed material amendments to, and any proposed awards (or changes in previous awards) under, such plans;
- (g) oversee, at the delegation of the Board, administration of the Imagine Group’s long-term incentive compensation arrangements from time to time;
- (h) review and make recommendations to the Board with respect to any change to the Imagine Group’s compensation and benefit (including pension) plans involving a material annual change in cost to the Imagine Group;
- (i) where applicable, ensure that the composition, mandate and activities of the Committee complies with applicable legal and regulatory requirements; and

- (j) if it deems it necessary or desirable, retain (on terms to be agreed by it) compensation consultants to assist the Committee in the proper discharge of its duties.

REPORTING

The Committee shall regularly report to the Board on the Committee's proceedings, reviews, undertaking and any associated recommendations from time to time as shall be deemed advisable, but in any event at least quarterly. The chairman of the Committee shall be available at the annual general meeting of the Company to respond to questions from shareholders regarding the work of the Committee.

ASSESSMENT

The effectiveness of the Committee in fulfilling its responsibilities set out in this Charter in a manner consistent with any corporate governance guidelines established by the Board will be self-assessed at least annually by the Committee, and the result of such self-assessment will be reviewed with the Board.

DISCLOSURE

The Committee will review this Charter at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate.

This Charter will also be posted on the Imagine Group web site and the annual report of the Company will state that this Charter is available on the web site or is available in print to any shareholder who requests a copy.

RESOURCES

The Committee shall have access to the resources of the Company's internal legal department, and may in its discretion retain any outside advisors, including legal counsel and compensation consultants, at the expense of the Company. The Committee shall also have access to such other resources and documents of the Imagine Group as it may reasonably require to fulfill the Committee's responsibilities. Members may meet with senior management of the Company and with any employee or officer of the Imagine Group where appropriate to fulfill the Committee's responsibilities.

MEETINGS

Meetings of the Committee may be called by any Member, the Chairman of the Board or the Chief Executive Officer of the Company. Normally, meetings will be held in conjunction with the regularly scheduled quarterly Board meetings, but the Committee shall meet no less than four times each year, or more frequently as is necessary to fulfill its responsibilities. The Committee shall appoint a secretary (which shall normally be the Secretary or an Assistant Secretary of the Company) to be the secretary of each meeting of the Committee and to prepare, maintain and distribute minutes of the meeting and deliberations of the Committee. Minutes shall be prepared and distributed, in draft form, as promptly as practicable after each meeting of the Committee, and shall in any event be made available to the Board at its next regularly scheduled meeting.

The powers of the Committee shall be exercisable at a meeting at which a quorum is present. A quorum shall be not less than a majority of the Members from time to time. Matters decided by the Committee shall be decided by majority vote. Subject to the foregoing, the other provisions of this Charter, the *Companies Act* (Bermuda) and the by-laws, and unless otherwise determined by the Board, the Committee shall have the power to regulate its procedure.

Notice of each meeting shall be given to each Member, and to the Chairman of the Board and the Chief Executive Officer of the Company. Notice of meeting may be given verbally or by letter, fax, email or telephone not less than 48 hours before the time fixed for the meeting. Members may waive notice of any meeting and attendance at a meeting is deemed waiver of notice. The notice need not state the purpose or purposes for which the meeting is being held.

The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

DEFINITIONS

Capitalized terms used in this Charter and not otherwise defined have the meanings attributed to them below:

“Independent Director” means a director who has been affirmatively determined by the Board to have no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. In addition, a director shall not be considered an Independent Director where that director:

- (a) has been an employee of the Company or the Imagine Group within the last five years;
- (b) has, or has had within the last three years, a material business relationship with the Company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
- (c) has received or receives additional remuneration from the Company apart from a director's fee, participates in the Company's share option or performance-related pay schemes, or is a member of the Company's pension scheme;
- (d) has close family ties with any of the Company's advisers, directors or senior employees;
- (e) holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- (f) represents a significant shareholder; or
- (g) has served on the Board for more than nine years from the date of their first election.

Additionally, an Independent Director for the purpose of the Committee specifically may not:

- (i) accept any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), or
- (ii) be an affiliated person of the Company or any of its subsidiaries (within the meaning of applicable rules and regulations).