

# CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE OF LIQTECH INTERNATIONAL INC.

## I. Purpose

The purpose of the Governance and Nominating Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of LiqTech International Inc. (the “*Company*”) is to discharge the responsibilities of the Board with respect to certain governance and nominating matters by carrying out the activities enumerated in Part IV of this charter (the “*Charter*”).

Subject to approval of the Board, the Committee may obtain advice and assistance from internal or external legal or other advisors at the Company’s expense. In order to carry out its nominating duties, the Committee may retain and terminate any search firm to be used to identify candidates to serve as members of the Board. The Committee shall have the authority to approve the fees and other retention terms of any such advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisors employed by the Committee pursuant to this Charter.

One of the primary responsibilities of the governance and nominating committee is to make appropriate recommendations to the Board for the appointment or re-appointment of directors. The Company seeks to have directors who, in addition to relevant technical, commercial and securities expertise, meet the highest standards of personal integrity, judgment and critical thinking, and an ability to work in an open environment with other directors to further the interests of the Company and its shareholders. In recommending appointments to the Board, the Committee is mindful of the overall balance of the skills, knowledge and experience of Board members against the current and future requirements of the Company and of the benefits of diversity, including gender. The Company recognizes the importance of diversity at all levels of the Company as well as on the Board and considers overall Board balance and diversity when appointing new directors. Board appointments are, in the final analysis, made on merit.

The Company employs multiple strategies in identifying director nominees, including the obtaining of recommendations from security holders, recommendations from current directors, and from the Company’s corporate advisors. The Company also utilizes professional recruitment firms, as may be required, in seeking qualified director nominees. The qualifications of director nominees are evaluated by the committee to determine if the director nominees have the requisite technical and commercial expertise to maintain a proper balance of skills required by the Board. There are no differences in the evaluation of director nominees recommended by security holders. Director nominees are interviewed in depth by the committee and the Board to further qualify the director nominees and evaluate the personal integrity and character of the candidate.

## II. Membership

All members of the Committee will be appointed by, and shall serve at the discretion of, the Board. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the Committee membership. Each Committee member will serve during his or her respective term as a director, subject to earlier removal by a majority vote of the Board.

The Committee shall consist of not less than two members of the Board, with the exact number being determined by the Board. Each member of the Committee shall be “independent” as defined by applicable Nasdaq Listing Rules, as they may be amended from time to time, except as otherwise permitted by such rules.

### **III. Meetings**

Meetings of the Committee will be held from time to time, but no less than twice per year, in response to the needs of the Board or as otherwise determined by the Chair of the Committee. The Committee shall report to the Board from time to time, as requested by the Board and at such other times as determined by the Committee to be appropriate. In accordance with the Bylaws of the Company and in lieu of a meeting, the Committee may also act by unanimous written consent.

### **IV. Duties and Responsibilities**

The following shall be the principal duties and responsibilities of the Committee. These items are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

#### **A. Nomination**

1. The Committee will make recommendations for the composition of the full Board and its standing committees (currently Audit, Compensation, and Governance and Nominating), including their respective Chairs.
2. The Committee will define the future membership needs of the Board and help identify, recruit, evaluate and nominate candidates for appointment or election as members of the Board.
3. The Committee will assist the Chairman of the Board in the annual evaluation of individual members of the Board and its standing committees.
4. The Committee will approve all nominees to serve as members of the Board before they are appointed by the Board or proposed by the Board for election by the stockholders, including approval of a slate of director nominees to be proposed by the Board for election at each annual meeting of stockholders and approval of all director nominees to be elected by the Board or stockholders to fill interim director vacancies.

#### **B. Governance**

1. The Committee will ensure that charters are written for each of the standing committees of the Board.
2. The Committee will develop, recommend and review a code of business conduct and ethics (the “Code of Business Conduct and Ethics”) applicable to directors, officers and employees of the Company that complies with the rules and regulations of the Securities and Exchange Commission and the Nasdaq Listing Rules, as such rules and regulations may be amended from

time to time, which Code of Business Conduct and Ethics will be approved by the full Board and communicated to all relevant constituents.

3. The Committee will review and assess on at least an annual basis the adequacy of this Charter and the Code of Business Conduct and Ethics and recommend any changes for approval by the Board.

4. The Committee will recommend that the Board establish special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise.

5. The Committee will oversee implementation of orientation for new directors and facilitate the regular education of directors in matters affecting the Company's business and the responsibilities of directors in order to exercise their fiduciary responsibilities.

6. The Committee will advise the full Board on corporate governance matters.

7. The Committee will periodically review the Company's Insider Trading Policy and recommend any changes for approval by the Board.

8. The Committee will periodically review the business interests and business activities of members of the Board and management, including any interests and activities, which may constitute a conflict of interest.

## **V. Minutes**

The Committee will maintain written minutes of its meetings and periodically report to the Board on significant matters related to the Committee's responsibilities.