

**XENONICS HOLDINGS, INC.****NOMINATING AND GOVERNANCE COMMITTEE CHARTER****A. Purpose of the Committee**

The Nominating and Governance Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Xenonics Holdings, Inc. (the "Company"). The purpose of the Committee is to (1) identify individuals who are qualified to become members of the Board, consistent with criteria approved by the Board, (2) select, or recommend for the Board's selection, the director nominees for each annual meeting of shareholders, (3) develop and recommend to the Board a set of corporate governance principles applicable to the Company, (4) oversee the annual evaluation of the Board and Company management, and (5) perform such other actions within the scope of this Charter as the Committee deems necessary or advisable.

**B. Committee Membership**

The Board shall determine the size of the Committee, provided that the Committee shall consist of at least three members. The Board shall select the members of the Committee, and the Board shall have the right and power to remove and replace Committee members at any time and from time to time. Unless the Board selects a Chairperson, the members of the Committee may designate a Chairperson by majority vote.

Each member of the Committee shall be a director of the Company who satisfies any and all applicable independence requirements of the rules and regulations of the American Stock Exchange and of the Securities and Exchange Commission.

**C. Meetings of the Committee**

The Committee shall meet as often as it determines is necessary or appropriate. The provisions of the Company's Bylaws that govern the conduct of Board committees shall govern the Committee. The Committee may adopt other procedural rules that are not inconsistent with the Bylaws.

**D. Authority and Responsibilities of the Committee**

The Committee shall:

1. Evaluate the size and composition of the Board, develop criteria for Board membership, and evaluate the independence of existing and prospective directors.
2. Seek and evaluate qualified individuals to become new directors as needed. Establish procedures to review and recommend to the Board potential

director nominees proposed by shareholders, and evaluate whether current Board members should be nominated for re-election.

3. Select, or recommend for the Board's selection, the director nominees for each annual meeting of shareholders and director nominees to fill vacancies on the Board.

4. Evaluate the nature, structure and operations of other Board committees. Make recommendations to the Board as to the qualifications of members of the Board's committees, committee member appointment and removal, and committee reporting to the Board.

5. Develop and recommend to the Board a set of corporate governance principles applicable to the Company. Monitor and reassess from time to time these corporate governance principles.

6. Take such actions as the Committee deems necessary or appropriate with respect to oversight of the annual evaluation of the Board and management.

7. Annually review the Committee's own performance. Annually review the adequacy of this Charter, and recommend any proposed changes to the Board for approval.

8. Have the authority, to the extent the Committee deems necessary or appropriate, (a) to retain at the Company's expense independent advisers to the Committee, and (b) to conduct investigations into any matters that are within the scope of the Committee's responsibilities.

9. Have the authority, in the Committee's discretion, to decide whether to retain at the Company's expense a search firm to assist the Committee in identifying, screening and attracting director candidates.

10. Discuss with the Company's counsel legal matters that may have a material impact on the Committee's responsibilities described in this Charter. Have unrestricted access to the Company's independent accountants, counsel, officers and employees for purposes related to the Committee's activities under this Charter.

11. Provide regular reports to the Board regarding the Committee's activities, recommendations and decisions.

12. Perform such other activities that are consistent with this Charter, the Company's Bylaws, applicable law and Board directives as the Committee determines are required or appropriate in order to carry out its responsibilities.