

Emeritus Corporation
Nominating and Corporate Governance Committee Charter

General

The Nominating and Corporate Governance Committee (the "Committee") shall be appointed by the Board of Directors (the "Board") of Emeritus Corporation (the "Company"). The primary function of the Committee is to (i) identify individuals qualified to become members of the Board of Directors (the "Board") of Emeritus Corporation (the "Company"), (ii) approve and recommend to the Board director candidates, (iii) develop, update as necessary and recommend to the Board corporate governance principles and policies, applicable to the Company, and (iv) monitor compliance with such principles and policies. The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

Composition and Delegation

The Committee shall be comprised of at least two members. Each member of the Committee shall meet the independence standards required by the Board and applicable laws, regulations and listing requirements. The members of the Committee shall be appointed annually by the Board at its annual meeting or as necessary to fill vacancies in the interim. The Board shall designate one of the Committee members as Chairperson. The Board may remove any member from the Committee at any time with or without cause. The Committee when appropriate may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee, the Board or Company officers.

The Committee shall have sole authority to retain and terminate any search firm that is used to identify director candidates and the sole authority to approve fees and other retention terms. As the Committee deems appropriate, it may also retain independent counsel and other consultants to assist the Committee without seeking further Board approval with respect to the selection, fees or retention terms for any such advisers.

Duties and Responsibilities

The Committee shall:

Director Selection

1. Review, approve and recommend for Board consideration director candidates based on the Director Selection Guidelines outlined in **Exhibit A** to this Charter, and advise the Board with regard to nomination or election of director candidates.

2. Periodically review, approve and recommend to the Board appropriate revisions to the Director Selection Guidelines outlined in **Exhibit A** to this Charter.
3. Determine procedures for the review, approval and recommendation of director candidates, as appropriate.

Board and Board Performance

4. Periodically review and recommend to the Board appropriate size of the Board.
5. Periodically review appropriateness of any restrictions on Board service, such as term limits and retirement policy.
6. Establish, coordinate and review with Chairperson of Board criteria and method for evaluating the effectiveness of the Board.

Board Relationship to Senior Management

7. Monitor process and scope of director access to Company management and employees and communications between directors and Company management and employees.

Meeting Procedures

8. Ensure that executive sessions take place regularly in conjunction with scheduled Board meetings.
9. Develop process for preparing agendas for, organizing and running Board meetings in coordination with the Chairperson and CEO.

Board Committee Matters

10. Recommend to Board, as appropriate, number, type, functions, structure and independence of committees.
11. Annually recommend to Board director membership on Board committees and advise Board and/or committees with regard to selection of Chairs of committees.
12. Establish and coordinate with applicable committee Chairperson criteria and method for evaluating the effectiveness of the committees.

Management Selection and Development

13. Determine procedures for selection of the CEO and other senior management.

14. Develop guidelines for and monitor compliance with long-range succession planning.
15. Develop and maintain in consultation with the Board and the CEO a short-term succession plan for unexpected situations affecting the CEO and senior management.

Director Orientation and Continuing Education

16. Periodically review and revise, as appropriate, the Company's director orientation program.
17. Monitor, plan and support continuing education activities of the directors.

Governance Policies

18. Develop and periodically review and recommend to the Board in conjunction with the Audit Committee appropriate revisions to a code of conduct applicable to the Company's directors, officers and employees pursuant to and to the extent required by regulations applicable to the Company from time to time.
19. Develop and periodically review and recommend to the Board in conjunction with the Audit Committee appropriate revisions to a code of ethics applicable to the Company's senior financial officers pursuant to and to the extent required by regulations applicable to the Company from time to time.
20. Monitor compliance with and the effectiveness of the aforementioned codes.

Meetings

In accordance with the applicable provisions of the Company's Bylaws, as amended from time to time, the Committee shall meet at such times and places as the members deem advisable, and shall make such recommendations to the Board as the Committee considers appropriate

Minutes

Minutes of each meeting shall be prepared by the Committee Chairperson or by his/her designee and sent to Committee members. Following an initial review by the Committee members, the Committee will provide the minutes to Board. The Secretary of the Company shall archive the approved minutes. The Committee will also report to the Board on any significant matters arising from the Committee's work.

Evaluation

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations.

EXHIBIT A

Emeritus Corporation Director Selection Guidelines

The Charter of the Nominating and Corporate Governance Committee (the "Committee") of the Board requires the Committee to develop and periodically review and recommend to the Board appropriate revisions to these Director Selection Guidelines. The following guidelines have been adopted by the Board upon the recommendation of the Committee.

Director Qualifications

When considering potential director candidates for nomination or election, directors should consider the following qualifications, among others, of each director candidate:

1. High standard of personal and professional ethics, integrity and values;
2. Training, experience and ability at making and overseeing policy in business, government and/or education sectors;
3. Willingness and ability to keep an open mind when considering matters affecting interests of the Company and its constituents;
4. Willingness and ability to devote the required time and effort to effectively fulfill the duties and responsibilities related to Board and committee membership;
5. Willingness and ability to serve on the Board for multiple terms, if nominated and elected, to enable development of a deeper understanding of the Company's business affairs;
6. Willingness not to engage in activities or interests that may create a conflict of interest with a director's responsibilities and duties to the Company and its constituents; and
7. Willingness to act in the best interests of the Company and its constituents, and objectively assess Board, committee and management performances.

Board Composition Selection Criteria

The Board believes that its effectiveness depends on the overall mix of the skills and characteristics of its directors. Accordingly, the following factors, among others, relating to overall Board composition should be considered when determining Board needs and evaluating director candidates to fill such needs:

1. Independence;
2. Diversity (e.g., age, geography, professional, other);
3. Professional experience;

4. Industry knowledge (e.g., relevant industry or trade association participation);
5. Skills and expertise (e.g., accounting or financial);
6. Leadership qualities;
7. Public company board and committee experience;
8. Non-business-related activities and experience (e.g., academic, civic, public interest);
9. Board continuity (including succession planning);
10. Board size;
11. Number and type of committees, and committee sizes; and
12. Legal and other applicable requirements and recommendations, and other corporate governance-related guidance regarding board and committee composition.

Selection Procedures

Potential director candidates should be referred to the Chairperson of the Committee for consideration by the Committee and possible recommendation to the Board. The Committee shall maintain a list of director candidates to consider and propose to the Board, as required. If necessary or desirable in the opinion of the Committee, the Committee will determine appropriate means for seeking additional director candidates, including engagement of any outside consultant to assist the Committee in the identification of director candidates.

The Committee will consider candidates recommended by shareholders. Shareholders wishing to suggest director candidates should submit their suggestions in writing to the Chairperson of the Committee, c/o the Corporate Secretary, providing the candidate's name, biographical data and other relevant information.

The Committee shall decide on the appropriate means for the review and approval of individual director candidates, including current directors, and the recommendation of director candidates to the Board. In the event of a vacancy on the Board, the Chairperson of the Committee shall initiate the effort to identify appropriate director candidates.