



## Board Mandate

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# **BIOEXX SPECIALTY PROTEINS LTD.**

## **BOARD MANDATE**

### **OPERATING GUIDELINES FOR THE BOARD OF DIRECTORS**

#### ***OBJECTIVES***

The Board is responsible for the overall corporate governance of BioExx Specialty Proteins Ltd. (“BioExx”, or the “Corporation”) and is charged with overseeing and directing the management of the business and affairs of BioExx. Each director of BioExx, in exercising his or her powers and discharging his or her duties, is required by law to: (a) act honestly and in good faith with a view to the best interests of BioExx; and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board believes that the principal objective of the Corporation is to generate economic returns with the goal of maximizing shareholder value. This is to be accomplished by the Board through its stewardship of the Corporation. In fulfilling its stewardship function, the Board’s responsibilities will include (a) strategic planning, (b) appointing and overseeing management, (c) succession planning, (d) risk identification and management, health, safety and environmental oversight, (e) communications with other parties, and (f) overseeing financial and corporate issues.

The Board believes that good corporate governance practices provide an important framework for a timely response by the Board to situations that may directly affect shareholder value. The Board is committed to practicing good corporate governance, and has adopted these guidelines to help it practice good corporate governance. These guidelines, as set out below, define the role of the Board and outline how the Board will operate to carry out its duties of stewardship and accountability.

#### ***THE BOARD-MANAGEMENT RELATIONSHIP***

While the Board is called upon to “manage” the business of the Corporation by law, this is generally carried out by proxy through the Corporation’s Chief Executive Officer, who is appointed by the Board and charged with the day-to-day leadership and management of the Corporation. The Board will satisfy itself, to the extent feasible, as to the integrity of the Chief Executive Officer and other officers of the Corporation and that they are creating a culture of integrity throughout the Corporation.

The Chief Executive Officer’s prime responsibility is to lead the Corporation. The Chief Executive Officer formulates corporate policies and proposed actions and presents them to the Board for approval. The Board approves the goals of the business, the objectives and policies within which it is managed, and then steps back and evaluates management’s performance. Reciprocally, the Chief Executive Officer keeps the Board fully informed of the Corporation’s progress towards the achievement of its goals and of all material deviations from the goals or objectives and policies established by the Board, in a timely and candid manner.

Once the Board has approved the Corporation's goals, objectives and policies it acts in a unified and cohesive manner in supporting and guiding the Chief Executive Officer, subject to its duty to act in the best interests of the Corporation.

### ***OVERALL RESPONSIBILITIES OF THE BIOEXX BOARD OF DIRECTORS***

The Board in its stewardship of BioExx shall assume responsibility for the following matters:

1. Selecting, appointing, and (if necessary) terminating the Chief Executive Officer;
2. Chief Executive Officer succession planning, including monitoring the performance of senior management;
3. Approving the compensation of the senior management team;
4. Adoption of a strategic planning process, approval of strategic plans, and monitoring performance against plans;
5. Approving annual capital and operating plans, and monitoring performance against those plans;
6. Approving policies and processes to identify business risks, to address what risks are acceptable to BioExx, and ensuring that systems and actions are in place to manage them;
7. Approving policies and procedures that enhance the integrity of BioExx's internal control and management information systems;
8. Implementing an appropriate orientation program for new directors; and,
9. Approving a BioExx communications and disclosure policy.

### ***DELEGATION OF AUTHORITY TO OFFICERS AND COMMITTEES***

The board may delegate authority and functions to officers and to committees of the board. The board has the right to approve the appointment of BioExx officers to perform such duties assigned to them by the Board and the Chief Executive Officer.

Committees of the Board currently include an Audit Committee, and a Corporate Governance & Compensation Committee. The Board has adopted charters for each committee and these charters include the Committees' responsibilities and other relevant matters.

The following matters however are within the sole purview of the Board and may not be delegated by the Board to a Committee of the Board, or to an officer of the Company:

1. The submission to the shareholders of any question or matter requiring the approval of the shareholders;
2. The filling of a vacancy among the directors or in the office of the auditor;
3. The issuance of securities, except in the manner and on the terms authorized by the directors;
4. The declaration of dividends;
5. The purchase, redemption, or other acquisition of shares of BioExx, except in the manner and on the terms authorized by the directors;
6. The approval of any related party transaction;

7. Approval of all material contracts or transaction;
8. The payment of a commission to any person in consideration of (i) their purchasing or agreeing to purchase shares of BioExx from BioExx or from any other person; or (ii) their procuring or agreeing to procure purchasers for shares of BioExx;
9. The approval of the management proxy circular;
10. The approval of any BioExx financial statements; or,
11. The adoption, amendment or repealing of any by-laws of BioExx.

### ***BOARD INDEPENDENCE***

The Board must have the capacity, independent of management, to fulfill its responsibilities. Independence is based upon the absence of relationships and interests that could compromise the ability of a director to exercise judgment with a view to the best interests of the Corporation. The Board must be able to make an objective assessment of management and assess the merits of management initiatives. Therefore, the Corporation is committed to the following practices:

1. The recruitment of strong, independent<sup>1</sup> directors;
2. A majority of the directors shall be independent;
3. All committees of the Board shall be constituted with a majority of independent directors, and solely with independent directors if possible;
4. BioExx intends to have a Chair who is an independent director;
5. The lead role in the director selection/evaluation process shall be delegated to the Corporate Governance & Compensation Committee and the lead role in the Chief Executive Officer evaluation process to the Corporate Governance & Compensation Committee. In time the Board expects to split this committee into separate committees when it has the depth of resources to achieve this.
6. At the end of each Board meeting, the independent directors will meet without the non-independent directors and management being present. This will provide the independent directors with an opportunity to raise and discuss issues that they did not wish to discuss with management present and ensure that the Board functions effectively and independently of management;

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<sup>1</sup> Multilateral Instrument 52-110 defines “independence” as having no direct or indirect material relationship with the issuer, and a “material relationship” as a relationship which could, in the view of the issuer’s board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Specific individuals considered to have a material relationship with an issuer include:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer (excluding a person who has acted as chair of the board of directors on a part-time basis);
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee;
- (d) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years;
- (e) an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
- (f) an individual who is an affiliated entity of the issuer or any of its subsidiary entities.

Reference should be made to Multilateral Instrument 52-110 for the other circumstances in which an individual will be considered to have a material relationship with an issuer.

7. Members of the Board shall have access to management, and shall on a regular basis both formally and informally gain regular exposure to members of management for the purposes of evaluating executive succession, and other purposes.

### ***STRATEGIC PLANNING***

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board's role is to ensure that there is a strategic planning process, and then review, question, validate, and ultimately approve the strategy and monitor its implementation. This will entail the Board's reviewing with management the mission of the business in conjunction with management's objectives and goals and the strategy by which it proposes to reach those goals, and will include the Board:

1. Participating with management in the development of, and ultimately approving, the Corporation's strategic plan on an annual basis;
2. Approving the annual business plans that enable the Corporation to realize its objectives;
3. Approving the annual capital and operating budgets which support the Corporation's ability to meet its strategic objectives;
4. Approving the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;
5. Approving material divestitures and acquisitions.
6. Monitoring the Corporation's progress towards its goals, and revising and altering its direction through management in light of changing circumstances;
7. Reviewing, at every regularly scheduled Board meeting if feasible, recent developments that may affect the Corporation's strategy.

### ***EVALUATION OF THE CHIEF EXECUTIVE OFFICER***

Annual assessment of the Chief Executive Officer's performance and compensation will generally be delegated to the Compensation Committee.

### ***SUCCESSION PLANNING***

The Board will take reasonable steps to ensure that succession planning and management development programs are in place. This will include a succession plan for the Chief Executive Officer, a succession planning program for other members of senior management and ensuring that the Corporation's criteria and processes for recognition, promotion, training, development and appointment of senior management are consistent with the future leadership requirements of the Corporation.

The Board considers succession planning and management development to be an ongoing process, including annual reports to the Board by the Chief Executive Officer. The Chief Executive Officer's views as to a successor in the event of unexpected incapacity should be discussed regularly with the Board, which will be factored into the succession plan for the Chief Executive Officer.

## ***RISK MANAGEMENT***

The Board is responsible for identifying, with management, the principal risks of the Corporation's business and reviewing, approving and monitoring the implementation of appropriate systems to manage and reduce those risks. This will include an assessment and evaluation of information provided by management and others (for example, internal and external auditors) about the effectiveness of management control systems, an understanding of principal risks, the impact of risks on the Corporation's strategic plan and a determination of whether the Corporation is achieving a proper balance between risk and returns.

## ***COMMUNICATIONS***

It is critical that the Corporation maintain effective communications with other parties, particularly shareholders, regulatory authorities and the public. The Board generally feels that it is the function of management to speak for the Corporation in its communications with other parties, but the Board acknowledges that it is responsible for oversight of the Corporation's communications and maintenance of effective communication. In this regard its responsibilities will include:

1. Ensuring the Corporation has in place effective, productive and appropriate communication processes, particularly with shareholders, regulatory authorities and the public;
2. Ensuring that the financial performance of the Corporation is accurately and fairly reported to shareholders and regulatory authorities on a timely and regular basis, and in accordance with generally accepted accounting principles.
3. Ensuring the timely reporting of any developments that have a significant and material impact on the Corporation, the value of its securities or its financial position.
4. Reporting annually to shareholders on the Board's stewardship for the preceding year (generally, via the Corporation's Annual Report).
5. Ensuring the Corporation has in place systems that accommodate feedback from shareholders, including a process which enables shareholders to directly contact the Board Chair, and the independent directors.
6. Reviewing and approving the content of the Corporation's major communications to shareholders and the investing public, including the Annual Report, the Management Information Circular, the Annual Information Form and any prospectuses that may be issued.

## ***SHAREHOLDER MEETINGS***

The Board is required to call the Annual General Meeting of the shareholders and may, at any time, call a special meeting of shareholders. The Board has a duty to call a special meeting of the shareholders to approve any matter that requires the approval of shareholders by special resolution.

## ***FINANCIAL AND CORPORATE ISSUES***

The Board is responsible for overseeing and resolving financial and corporate issues as they arise. This will include:

1. Directing management to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;
2. Approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated;
3. Monitoring operating and financial performance relative to budgets and objectives;
4. Directing management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
5. Reviewing significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment);
6. Overseeing the implementation and ongoing quality and integrity of the Corporation's accounting and financial reporting systems, management information systems and internal controls;
7. Reviewing operational and financial performance;
8. Approving annual and quarterly financial statements and management's discussion and analysis and approving the release thereof by management, however, the approval of quarterly financial statements and management's discussion and analysis and the release thereof by management may be delegated to the Audit Committee;
9. Approving material agreements and other documents;
10. Declaring dividends;
11. Approving financings, including the issue and repurchase of shares and other securities, issue of debt securities, listing of shares and other securities;
12. Recommending changes to the Corporation's authorized share capital;
13. Recommending to shareholders the appointment of external auditors and approving auditors' fees;
14. Approving the commencement or settlement of litigation that may have a material impact on the Corporation.

## ***OTHER GOVERNANCE PRACTICES***

### **BOARD SIZE AND COMPOSITION**

The Board is committed to reviewing its size regularly and will seek to maintain the number of directors which is appropriate for the size and complexity of the Corporation and sufficient to provide an appropriate mix of backgrounds and skills for the stewardship of the Corporation. In general, the Board believes smaller boards are more cohesive and work more effectively than larger boards.

In the Board's view, there is no implication that a non-independent director makes less of a contribution to the Corporation than an independent director or that a non-independent director cannot or does not act independently or in the best interests of the Corporation. However, any director who is an independent director and whose circumstances change such that he or she might be considered to be a non-independent director must promptly advise

the Board of the change in circumstances. The determination of which directors are non-independent and independent will be delegated to the Corporate Governance & Compensation Committee.

At all meetings of the Board every question will be decided by a majority of the votes cast. In case of an equality of votes, the Chair will not be entitled to a second, or casting, vote.

#### **CRITERIA FOR BOARD MEMBERSHIP**

The Corporate Governance & Compensation Committee will annually review the general and specific criteria applicable to candidates to be considered for nomination to the Board. The objective of this review will be to maintain the composition of the Board in a way that provides the best mix of skills and experience to guide the long term strategy and ongoing business operations of the Corporation. This review will take into account the desirability of maintaining a reasonable diversity of background skills and experience and personal characteristics among the directors, along with the key common characteristics required for effective Board participation.

#### **CONDITIONS FOR RE-ELECTION OF DIRECTORS**

Whether a director stands for re-election at the Annual Shareholders Meeting shall be based on: (a) that director's performance, (b) the confidence of the other Board members in that director, (c) the confidence that the Company's shareholders have in that director, if such views are known and considered accurate and relevant, (d) the preferences of the individual director, and (e) the skills, competencies, experience and benefit to the Company of such director's re-election, without undue regard to such director's shareholdings in the Company, or relationship with existing directors, officers, shareholders or affiliates of the Company.

#### **SELECTION OF NEW DIRECTORS**

The Board, with the assistance of the Corporate Governance & Compensation Committee, is responsible for identifying suitable candidates to be recommended for election to the Board by the shareholders.

The Corporate Governance & Compensation Committee has the responsibility of gathering the names of potential nominees, screening their qualifications against the current skill and experience needs of the Board and making recommendations to the full Board. All directors are encouraged to identify potential candidates to the Corporate Governance & Compensation Committee.

#### **DIRECTORS WHO CHANGE THEIR PRESENT JOB RESPONSIBILITIES**

A director, who has a major change in principal occupation will offer to resign from the Board, which offer will then be considered by the Board. It is not intended that directors who retire or whose professional positions change should necessarily leave the Board, however, the Board feels that there should be an opportunity for the Board to review the continued appropriateness of Board membership under such circumstances.

### **DIRECTOR RETIREMENT AGE**

Directors shall retire at the age of 75, unless explicitly exempted from this policy by the Board on an annual basis.

### **BOARD MEETINGS AND AGENDAS**

The Board will meet a minimum of four times per year, at least once every quarter, and will call special meetings as required.

The Chair, in conjunction with the Chief Executive Officer, will develop the agenda for each Board meeting. Under normal circumstances, the agenda and materials for the meeting will be distributed to directors not less than three business days before the meeting. All directors are encouraged to suggest additions to the agenda.

### **BOARD INFORMATION**

Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings will briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

### **NON-DIRECTORS AT BOARD MEETINGS**

The Board appreciates the value of having certain non-directors, including senior members of management or experts and consultants attend Board meetings when necessary to provide information and opinions to assist the directors in their deliberations.

The Chair will determine which non-directors will attend Board meetings, and for which agenda items.

### **COMMITTEES**

Committees are struck and disbanded at the discretion of the Board, and notwithstanding the Charter or mandate of any committee, the members of a committee will hold such office at the pleasure of the Board, it being understood and agreed however that the Board shall at all times maintain an Audit Committee in compliance with securities laws and Exchange regulations.

Committees analyze in greater depth policies and strategies developed by management, which are consistent with their Charter. They examine proposals and, where appropriate, make recommendations to the full Board. A committee will operate in accordance with a

Board approved written mandate outlining its duties and responsibilities, and will not take action or make decisions on behalf of the Board unless specifically mandated to do so. Each committee will undertake a comprehensive review of its Charter each year. In addition, each year the Board will review the Charter for all committees to ensure that together they meet the needs of the Corporation, and will recommend the addition or deletion of committees as necessary.

#### **BOARD CONTACT WITH SENIOR MANAGEMENT**

All of the directors have open access to senior management of the Corporation. The Board also encourages individual directors to make themselves available for consultation with senior management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special knowledge and experience.

Written communications from directors to members of senior management will be copied to the Chief Executive Officer.

The Board will conduct periodic review of its relationship with senior management of the Corporation.

#### **NEW DIRECTOR ORIENTATION**

New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors, the role of the Board and its committees, the contribution individual directors are expected to make, the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors. The details of the orientation of each new director will be tailored to that director's individual needs and areas of interest.

#### **CONTINUING EDUCATION**

Continuing education opportunities will be provided for directors, so that directors may maintain or enhance their skills and abilities as directors and ensure their knowledge and understanding of the Corporation's business remains current. This will include opportunities for directors to visit the Corporation's various project sites on a regular basis.

#### **ASSESSING THE BOARD'S PERFORMANCE**

The Corporate Governance & Compensation Committee will be responsible for carrying out a review and assessment of the overall performance and effectiveness of the Board, its committees and the contributions of individual directors on an annual basis. The objective of this review will be to facilitate a continuous improvement in the Board's execution of its responsibilities.

## **DIRECTOR COMPENSATION**

The Corporate Governance and Compensation Committee will review the compensation of the directors each year and will make recommendations to the Board for consideration when it believes changes in compensation are warranted.

## **LIMITS TO MANAGEMENT AUTHORITY**

From time to time, the Board may establish limits on management's authority dependant on the nature and size of proposed transactions. These limits will permit some flexibility within approved budgets, but otherwise must not be exceeded without Board approval.

## **OVERSIGHT OF CORPORATE GOVERNANCE PRACTICES**

The Corporate Governance & Compensation Committee will be responsible for conducting periodic reviews of the Corporation's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness.

The Board will review the disclosure of the Corporation's corporate governance practices in any documents in which such disclosure is included.

## **OUTSIDE ADVISORS FOR INDIVIDUAL DIRECTORS**

Occasionally individual directors may need the services of an advisor to assist on matters involving their responsibilities as a Board member. The Board has determined that any director who wishes to engage an outside advisor at the expense of the Corporation will first obtain the authorization of the Chair or the Corporate Governance & Compensation Committee, unless such authorization is expressly permitted by the Charter for the relevant committee of which such director is a member.

## **ACCESS TO CHAIR AND INDEPENDENT DIRECTORS**

Security holders and other interested parties may communicate directly with the Chair and the independent directors as a group. Communications should be sent to the Chair by regular mail (or other means of delivery) to the corporate headquarters address of the Corporation in a sealed envelope marked "Private and Strictly Confidential – Attention: Chair of the Board of Directors of BioExx Specialty Proteins Ltd." Any such envelope will be delivered unopened to the Chair.

## **DIRECTORS SHAREHOLDINGS**

In an effort to better align the interests of the directors with the common shareholders of BioExx, directors are encouraged to become BioExx common shareholders. No formal policy exists mandating minimum shareholdings.

## **EXECUTIVE OFFICERS' SHAREHOLDINGS**

In an effort to better align the interests of the Company's senior management team with the common shareholders of BioExx, executives are encouraged to hold BioExx common shares, though no formal policy exists mandating minimum shareholdings.

## **LOANS TO DIRECTORS OR OFFICERS**

BioExx shall not make loans to any of its directors or officers.

## **OTHER BOARD MEMBERSHIPS**

Unless approved by the Board, the BioExx CEO is prohibited from swapping directorships with the chief executive officer of another public corporation.

Unless approved by the board, three or more directors of BioExx are prohibited from sitting on another public company's board of directors together.

Every executive officer requires the approval of the Board before accepting a directorship of another public company.

# **INDIVIDUAL DIRECTOR RESPONSIBILITIES**

## ***GENERAL***

As a member of the Board, a director will fulfill the requirements and obligations of a director, which includes a comprehensive understanding of his or her statutory and fiduciary roles. Each director will be responsible for providing constructive counsel to, and oversight of, management of the Corporation, in a manner consistent with his or her statutory and fiduciary roles. A director will also represent the interests of all shareholders in the governance of the Corporation, ensuring that the best interests of the Corporation are paramount, and participate in the review and approval of Corporation policies and strategy and in monitoring the implementation thereof.

Guidelines to help directors meet these goals and objectives are set out below.

## ***BOARD ACTIVITY***

As a member of the Board, a director will:

1. Act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
2. Exercise good judgment and act with integrity and the highest personal and professional standards and ethics;
3. Comply with the Corporation's Code of Business Conduct and Ethics;

4. Advance the interest of the Corporation and the effectiveness of the Board by bringing his or her knowledge and experience to bear on the strategic and operational issues facing the Corporation;
5. Have an inquisitive and objective perspective and demonstrate practical wisdom and mature judgment;
6. Use his or her abilities, experience and influence constructively;
7. Devote the time necessary to fulfill his or her role as a director and be an available resource to management and the Board;
8. Respect and maintain confidentiality with respect to all information he or she receives as a director;
9. Advise the Chair or Chief Executive Officer when he or she plans to introduce significant or previously unknown information or material at a Board meeting;
10. Understand the difference between governing and managing, and not encroach on management's area of responsibility;
11. Identify potential conflict areas — real or perceived — and ensure they are appropriately identified and reviewed. In this regard, a director will promptly report all actual, potential or perceived conflicts of interest to the Chair of the Board or the Chair of the Corporate Governance & Compensation Committee. If a director is in doubt as to whether or not there is a conflict, it should be reported. A director will not participate in directors' discussions, deliberations or decision making regarding any conflicts relating to the director;
12. When appropriate, communicate with the Chair or Chief Executive Officer between meetings;
13. Demonstrate a willingness and availability for one on one consultation with the Chair or Chief Executive Officer.
14. Assist in evaluating the Chief Executive Officer and Corporation's performance as required from time to time;
15. Assist in maximizing shareholder value;
16. Make every reasonable effort to attend all meetings of the Board.

### ***FIDUCIARY DUTY***

The members of the Board must act with a view to the best interests of BioExx and its shareholders generally. Fiduciary duties include, by way of example, the obligation to refrain from (i) voting on contracts where personal financial or other interests conflict with those of BioExx; (ii) using insider information in securities transactions; and (iii) appropriating a corporate opportunity for personal benefit. Directors must act with such care as would reasonably be expected of a person having the knowledge and experience of the director in question

### ***CONFLICTS OF INTEREST***

A director who is a party to a material contract or proposed material contract with BioExx, or who is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract with BioExx, must disclose in writing to BioExx, or request to have entered in the minutes of meetings of directors, the nature and intent of his or her interest.

The disclosure required to be made by a director where there is a conflict of interest must be made at the meeting at which a proposed contract is first considered by the Board or, if the director had no interest in a proposed contract at the time of such meeting, at the first meeting of the Board after that director acquires an interest. If the director acquires an interest after a contract is made, he or she must disclose their interest at the first meeting of the Board after they became so interested. If a person who has an interest in a contract later becomes a director of BioExx, they must disclose their interest at the first meeting of the Board after they became a director.

Where a proposed contract is dealt with by a written resolution signed by all directors in lieu of a meeting of the Board, the disclosure must be made immediately upon receipt of the resolution or, if the director had no interest at the time of receipt of the resolution, at the first meeting of the Board after he or she acquired the interest.

A director who discloses a conflict of interest must refrain from taking part in any discussions or voting on any resolution to approve the contract, unless the contract is:

- (a) An arrangement by way of security for money loaned to or obligations undertaken by that director, or by a body corporate in which that director has an interest, for the benefit of BioExx or an affiliate;
- (b) A contract relating primarily to a director's remuneration as a director, officer, employee or agent of BioExx or an affiliate;
- (c) A contract for indemnity or insurance with respect to a director or officer of BioExx, a former director or officer of BioExx or a person who acts or acted at BioExx's request as a director or officer of a body corporate of which BioExx is or was a shareholder or creditor;
- (d) A contract with an affiliate of BioExx, provided, however, that directors who serve on Boards of affiliated corporations are not prohibited from voting on contracts between the two corporations; or
- (e) An issuance of options where all directors are receiving options.

Any profits or gains realized by a director as a result of their privileged position on the Board must be reimbursed to BioExx, except in the case of gains resulting from contracts with respect to which that director has complied with the obligation to disclose his or her interest and refrained from voting.

### ***CORPORATE OPPORTUNITY***

Directors are precluded from obtaining for themselves or diverting to another person or corporation with whom or with which they are associated, either secretly or without the approval of BioExx, any property or business advantage either belonging to BioExx or for which it has been negotiating.

Each director is also precluded from so acting even after their resignation where the resignation may fairly be said to have been prompted or influenced by a wish to acquire for themselves the opportunity sought by BioExx, or where it was their position with BioExx that led to the opportunity.

A director may not use his or her position as a director to make a profit even if it was not open to BioExx to participate in the transaction.

### ***DUTY OF CONFIDENTIALITY***

Directors of BioExx have an obligation to maintain the confidentiality of matters discussed at meetings of the Board unless:

- (a) It was clearly understood at the Board meeting that the information was not required to be kept in confidence;
- (b) The director was required or authorized by law to disclose the information;
- (c) The director was authorized expressly or implicitly by the Board to make disclosure of the information; or
- (d) The information was previously disclosed publicly.

### ***DUTY NOT TO MISUSE INFORMATION OR POSITION***

Directors must not misuse their position or make improper use of information acquired by virtue of their position to gain, directly or indirectly, an advantage for themselves or any other person or to cause detriment to BioExx. Directors are insiders of BioExx and, as such, must not use any information to trade in securities or to assist others to trade in securities before the information is available to the public. Directors should consult the Corporation's Insider Trading Policy for further information on this point.

### ***PREPARATION AND ATTENDANCE***

To enhance the effectiveness of Board and Board committee meetings, a director will prepare for meetings by reading any reports and background materials which have been prepared and have acquired adequate information necessary for decision-making.

A director will maintain an excellent Board and committee meeting attendance record. A director's attendance record will be disclosed annually, generally in the information circular for the Corporation's annual general meeting. Attendance at less than 80% of Board and committee meetings will be a cause for concern, and will be reviewed by the Corporate Governance & Compensation Committee.

### ***COMMUNICATION***

Communication is fundamental to Board effectiveness. A director will participate fully and frankly in the deliberations and discussions of the Board and encourage free and open discussion of the affairs of the Corporation by the Board. Probing questions should be asked, in an appropriate manner and at proper times, with a focus on issues related to strategy, policy, implementation and results rather than issues relating to the day-to-day management of the Corporation.

### ***DUTY OF INDEPENDENCE***

Recognizing that the cohesiveness of the Board is an important element in its effectiveness, a director will speak and act independently from the other directors but be a positive force

with a demonstrated interest in the long-term success of the Corporation. A director must act strictly in the best interests of BioExx and its shareholders generally and not in the interest of any one shareholder or group of shareholders.

### ***COMMITTEE WORK***

In order to assist Board committees in being effective and productive, a director will participate on committees as required and become knowledgeable with the purpose and goals of such committees. A director will understand the process of committee work and the role of management and staff in supporting the committee.

### ***BUSINESS, CORPORATION AND INDUSTRY KNOWLEDGE***

Recognizing that decisions can only be made by well informed Board members, a director will become knowledgeable about the Corporation's business and industry. This will entail being knowledgeable about the Corporation's facilities, including visits to them when appropriate, and maintaining an understanding of the regulatory, legislative, business, social and political environments within which the Corporation operates. A director will become acquainted with the officers of the Corporation, and be an effective ambassador and representative of the Corporation.

### ***RESTRICTION ON TRADING IN SECURITIES OF THE CORPORATION***

A director will not trade in any securities of the Corporation while in possession of material information that has not previously been disclosed to the public, or during "blackout periods" imposed by the Corporation from time to time. Furthermore, a director will not "tip" others during such circumstances so as to allow others to benefit from undisclosed material information. For further information in this regard, please consult the Corporation's Insider Trading Policy.