



## INTERNATIONAL BIO RECOVERY CORPORATION

### CORPORATE GOVERNANCE GUIDELINES

#### 1. **BOARD RESPONSIBILITIES**

The Board is responsible for supervising the management of IBR's business and affairs and includes responsibility for stewardship of IBR. The Board discharges its responsibilities pursuant to a written charter, which is posted on the IBR website.

#### 2. **SHAREHOLDER VOTING**

##### 2.1 Voting for Individual Directors

At each annual meeting of the shareholders, IBR submits to its shareholders the name of each candidate being recommended by the Board for election by the shareholders.

#### 3. **DIRECTOR STANDARDS**

##### 3.1 Independence

The Board shall include Directors who satisfy the applicable tests of independence, such that the Board complies with all independence requirements under applicable corporate and securities laws and all stock exchange requirements applicable to it.

Each year, the Corporate Governance Committee as well as the Board shall review the relationships that each Director has with IBR in order to satisfy themselves that these independence criteria have been met.

##### 3.2 Qualifications

The Board seeks to recommend to IBR shareholders, for election to the Board, individuals who possess the following competencies and characteristics:

- Proven track record of sound business judgment and good business decisions
- Demonstrated integrity and high ethical standards
- Financial literacy
- Appropriate knowledge of business and industry issues
- Specific knowledge and experience to support the development and/or implementation of business strategy
- Communication and influencing skills
- Ability to contribute to the Board's effectiveness and performance
- Availability for Board and committee work

##### 3.3 Terms in Office and Retirement

Directors shall be elected at the annual meeting of shareholders for a one-year term, to serve until the next annual meeting of shareholders or until their successors are elected or appointed. There is no limit on the number of terms a Director may serve.

## 4. **FUNCTIONING OF THE BOARD**

### 4.1 Size

IBR's articles of incorporation allow for a minimum of three and a maximum of eight Directors. The Board has the authority to set the size of the Board from time to time, by resolution of the Directors. The size of the Board shall be such that it allows for a balance of skills and experience necessary for the Board to discharge its oversight responsibility effectively.

### 4.2 Chairman

The Board shall appoint the Chairman of the Board on an annual basis. The Board shall maintain a position description for the Chairman.

### 4.3 In Camera Sessions

- The Directors may meet in the absence of management, such sessions to be chaired by the Chairman of the Corporate Governance Committee.
- The independent Directors may meet in the absence of management and any Directors who are not independent, sessions to be chaired by the Chairman of the Corporate Governance Committee.

### 4.4 Committees of the Board

The Board maintains an Audit Committee, a Corporate Governance Committee and a Human Resources Committee, each having a charter and composition that is consistent with the requirements of relevant securities regulatory authorities and stock exchanges. The Corporate Governance Committee and the Board review the mandates and composition of each committee of the Board on an annual basis.

### 4.5 Information Needs

Directors must devote the necessary time and attention to be able to make informed decisions on issues that come before the Board. While Management will use its best efforts to provide Directors with all of the information they need in order to discharge their responsibilities, Directors also have a responsibility to ask for all the information they believe necessary to make an informed decision.

Directors are expected to be generally knowledgeable of IBR's products and operations and the industry within which it operates. Management will provide them with information to stay informed and keep abreast of the business affairs and developments of IBR. Directors must also maintain an understanding of the regulatory, legislative, business, social and political environments within which IBR operates.

## 5. **BOARD'S RELATIONSHIP WITH MANAGEMENT**

### 5.1 Chief Executive Officer

Each year, the Board approves corporate goals and objectives relevant to CEO compensation and shall evaluate the CEO's performance in light of those goals and objectives.

The Human Resources Committee reviews succession planning for the CEO and establishes policies and principles for CEO selection.

## 5.2 Directors' Access to Executives

Directors may deal directly with members of IBR's management team as they consider appropriate. Each Director shall use his or her judgment to ensure that his or her dealings with members of the management team are not unduly disruptive to the day-to-day operations of IBR's business and shall, to the extent appropriate, coordinate such dealings through IBR's Chairman or Corporate Secretary.

Direct reports to the CEO (and other members of Management as appropriate) shall make presentations to the Board as appropriate to enable Directors to become acquainted with IBR's management team.

In addition to attending meetings and keeping abreast of developments of significance to IBR, each Director shall be available as a resource to Management.

## 6. DIRECTORS' ACCESS TO OUTSIDE ADVISORS

Each Director shall have the authority to retain external advisors with the approval of the Chair of the Corporate Governance Committee. Fees and expenses related to the retention of such advisors shall be pre-approved by the Chair of the Corporate Governance Committee and paid by the Company.

## 7. DIRECTOR COMPENSATION

The mandate of the Corporate Governance Committee requires it to review annually, and make recommendations to the Board regarding, the compensation of the members of the Board.

IBR's Director compensation arrangements will include the grant of options to Directors and will encourage ownership of IBR stock.

Directors who are members of IBR's management team shall not receive additional compensation for their service as Directors.

A significant portion of the Directors' compensation is paid in incentive stock options, which may be exercised at the Director's pleasure in conjunction with the terms of the Incentive Stock Option Plan.

## 8. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

New Directors are oriented to the business and affairs of IBR through discussions with Management and other Directors. A comprehensive information binder is provided to each Director and updated periodically.

Management provides information sessions to the Board and its Committees as necessary to keep the Directors up-to-date with IBR, its business and the environment in which it operates as well as with developments in the responsibilities of Directors.

Directors may attend outside conferences and seminars that are relevant to their role at IBR's expense, with the approval of the Chairman.

9. **ANNUAL PERFORMANCE EVALUATION OF THE BOARD**

The Corporate Governance Committee of the Board has responsibility for developing and recommending to the Board a process for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual Directors, including the Chairman of the Board. The Corporate Governance Committee is responsible for overseeing the execution of the assessment process approved by the Board.