



Afexa Life Sciences Inc.

BOARD OF DIRECTORS – MANDATE	Previously approved document	June, 2010
	Board Approval:	June, 2011

Perspective

The Board of Directors are charged by statute with the fundamental obligation to manage, or supervise the management of, the business affairs of the Company. Directors are required to assume responsibility for overall stewardship of the Company, rather than being actively involved in its daily operations. They are entitled, in the exercise of their business judgment, to delegate to management the powers to manage the business and affairs of the corporation although the main decision-making powers in the Company belong to the Board. The Board must be dedicated to ensuring that the corporation achieves its objectives and grows value responsibly, in a profitable and sustainable manner.

Duties of Directors

In carrying out their mandate, Directors are subject to two overriding duties:

- (i) *Fiduciary duty or duty of loyalty*: to act honestly and in good faith with a view to the best interest of the corporation; and
- (ii) *Duty of care*: to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Responsibilities

In fulfilling its responsibilities, the Board is, among other matters, responsible for the following:

- Selecting, appointing, evaluating and, if necessary, terminating the Chief Executive Officer (“CEO”);
- On an annual basis formally re-appoint the Officers and Directors, including the CEO, following the annual meeting of shareholders
- On an ongoing basis, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and the other senior management create a culture of integrity throughout the Corporation;
- Monitoring and evaluating the performance of the CEO and the other senior management against the approved corporate goals and objectives;

- Adopting processes for succession planning, the periodic review of succession plans for the CEO and other senior management, and the appointment and monitoring of the compensation of the CEO and other senior management;
- Adopting a strategic planning process;
- Participating with management in developing and approving an annual business plan and a multi-year strategic plan that takes into account, among other things, the opportunities and risks of the business;
- Approving, on an annual basis, the corporate goals and objectives;
- Reviewing and approving material transactions not in the ordinary course of business;
- Reviewing, with management, the Corporation's financial plans;
- Reviewing operating and financial performance results relative to established corporate goals and objectives;
- Ensuring that it understands the principal risks of the Corporation's business, and that appropriate systems to manage these risks are implemented;
- Ensuring that the materials and information provided by the Corporation to the Board and its committees are sufficient in their scope and content and in their timing to allow the Board and its committees to satisfy their duties and obligations;
- Reviewing and approving the Corporation's annual and interim financial statements and related management's discussion and analysis, annual information form, annual report, and management proxy circular;
- Approving material acquisitions and divestitures;
- Overseeing the integrity of the Corporation's internal control and management information systems;
- Approving any securities issuances and repurchases by the Corporation;
- Declaring dividends, if and when appropriate;
- Approving the nomination of directors and removal of directors;
- Confirming that processes are in place intended to address and comply with applicable legal, regulatory, corporate, securities, and other compliance matters;
- Approving the charters of the Board committees and approving the appointment of directors to Board committees and the appointment of the chairs of those committees;
- Assessing its own effectiveness in fulfilling the above and other Board responsibilities, including monitoring effectiveness of individual directors;
- Adopting a communications policy for the Corporation (including ensuring the timeliness and integrity of communications to shareholders and establishing suitable mechanisms to receive shareholder views); and
- Developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.