

**NOVEKO INTERNATIONAL INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

**A. INTRODUCTION**

Noveko International Inc. (the “Corporation”)’s Board of Directors (the “Board”) considers sound corporate governance and the good conduct of the Corporation and its subsidiaries to be of the utmost importance. The Board believes that it should set the example to promote them and has therefore adopted these guidelines.

These guidelines complete the provisions of the Corporation’s general by-laws applicable to the Board.

**B. BOARD COMPOSITION**

**1. Board Size**

In accordance with the Corporation’s articles of incorporation, the number of directors is fixed by the Board, but must never be less than one or more than nine.

The Board estimates that it should comprise six to nine directors to benefit from the appropriate combination of experience and qualifications in order to manage the Corporation.

**2. Chairman of the Board**

The Chairman of the Board is currently also the founder, principal shareholder and Chief Executive Officer of the Corporation. The Board believes that at this stage of the Corporation’s development, the fact that the Chairman of the Board is not an independent director (see Sub-Section 3 in this regard) is not viewed negatively by other shareholders and the market in general; rather, it is reassuring.

The primary responsibility of the Chairman of the Board is to ensure that the Board is structured so it can fulfill its responsibilities. He must set the example for the other directors to foster honest and responsible decision-making, adequate management oversight and sound corporate governance practices.

**3. Vice-Chairman of the Board**

The Board estimates it is useful to appoint a Vice-Chairman of the Board who will chair meetings the Chairman cannot attend or when the independent directors meet behind closed doors. The Vice-Chairman of the Board also acts as representative of the independent directors during certain discussions with the Chairman of the Board.

This Vice-Chairman of the Board must be an independent director.

**4. Independence**

The Board recognizes that the majority of its members should be independent within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, and by reference within the meaning of *Multilateral Instrument 52-110 – Audit Committees*.

In the event that a majority of directors is not independent, the Board must take measures to (a) remedy the situation as soon as possible or (b) take measures to favour the independent judgment of non-independent directors.

## **5. Selection of Candidates as Directors**

The Corporate Governance Committee recommends to the Board what selection criteria should apply to directors and periodically reviews the criteria adopted by the Board.

Where necessary, the Board will seek candidates from diverse backgrounds who can contribute to the fulfillment of the Board's responsibilities on account of the integrity, independence, experience and leadership they have displayed in the past.

The Board will select new candidates as director based on the recommendations of the Corporate Governance Committee.

## **6. Term of Director's Mandate**

In accordance with the Corporation's articles of incorporation, each director's mandate ends at the next Annual Shareholders' Meeting following his election by shareholders or appointment by the Board. Nevertheless, there is no limit as to how long a director may serve on the Board and, accordingly, there is nothing to prevent him from seeking a new mandate.

## **7. Resignation of Director**

A Director may resign at any time for his own reasons.

Furthermore, upon recommendation by the Corporate Governance Committee, the Board may ask a director to resign, notably if (1) he has received special media attention adversely affecting the execution of his mandate on the Board or (2) he has an unresolved conflict of interest with the Corporation.

## **8. Conflicts of interest**

Both in his actions and through the interests he holds, every director should avoid being in a conflict-of-interest situation, i.e. a situation where a director's personal interests might affect his judgment and his ability to act with honesty and integrity or where his personal interests are incompatible with the Corporation's best interests.

Every director should deal with any actual, potential or apparent conflict between his personal interests and the Corporation's interests with integrity, inform the Chairman of the Board thereof without delay (if the conflict involves the Chairman of the Board, the latter should inform the Chair of the Corporate Governance Committee thereof without delay), and abstain from taking part in discussions and decisions involving his personal interests.

The Board is responsible for settling any matter relating to a conflict of interest.

## **C. BOARD MANDATE**

The Board is responsible for the overall management of the Corporation and every director must act in the best interests of the Corporation and its shareholders.

The Board appoints the members of the senior management team in charge of the Corporation's business operations, advises them and oversees their performance.

In addition to generally overseeing the Corporation's management and business affairs, the Board is responsible for:

- i. Ensuring, as far as possible, that the Chief Executive Officer and other senior officers are honest and promote a culture of integrity throughout the organization;

- ii. Collaborating with management to define the Corporation's mission and long-term strategy, taking its opportunities and risks into account;
- iii. Defining the Corporation's principal business risks and ensuring that appropriate systems are implemented to manage such risks;
- iv. Planning the succession, notably appointing or reconfirming the senior officers to their positions;
- v. Adopting a Code of Conduct for the Corporation, amending it as needed, ensuring it is complied with and interpreting it, as the case may be;
- vi. Adopting a disclosure policy for the Corporation and controlling its application;
- vii. Ensuring that internal control and management information systems are implemented and effective; and
- viii. Elaborating the Corporation's vision in regard to corporate governance, notably by means of these guidelines.

The Board may fulfill its responsibilities directly or indirectly through one of its committees.

In fulfilling his responsibilities, every director may entirely rely on the Corporation's records, the information, opinions, reports and statements presented to the Corporation by one of its officers or employees or one of the Board committees or any other person whose services have been diligently retained by or on behalf of the Corporation relating to matters that, in the director's reasonable opinion, are part of that person's areas of professional qualification or expertise.

#### **D. BOARD MEETINGS**

##### **1. Number of meetings**

The Board will meet at least six (6) times annually and will hold any additional meetings it deems necessary to fulfill its mandate.

##### **2. Presence of Directors**

Directors must regularly attend the meetings of the Board and committees on which they serve and must spend the time needed to execute their mandate.

##### **3. Agenda Items**

The Chairman of the Board will draw up the agenda for each of the Board meetings.

Any other director may suggest items he would like to see on a meeting's agenda to the Chairman of the Board. He may do so by (1) previously contacting the Chairman of the Board; (2) requesting that a specific item be added to the agenda upon its adoption at the beginning of the meeting; or (3) making use of the *Miscellaneous* item which always remains open, at the end of the meeting.

Furthermore, during each regular Board meeting, there will be closed proceedings during which directors who are not part of management will meet without management being present.

#### **4. Material Distributed in Advance**

Insofar as possible, the Corporate Secretary distributes the documents to be reviewed at Board and committee meetings sufficiently in advance so directors can be adequately prepared. Email is the preferred transmission method.

Each director should consult the documents distributed prior to a meeting of the Board or a committee on which he serves.

### **E. COMMITTEES**

#### **1. General**

The Board currently has three (3) committees: Audit Committee, Corporate Governance Committee and Compensation Committee.

Management committees or any other committees, including standing or special committees, may also be formed from time to time, subject to the Corporation's by-laws and the applicable laws and regulations.

When deemed appropriate, the Board may also dissolve a standing or special committee by resolution, subject to the aforementioned requirements.

#### **2. Committee Members**

Committee members are appointed by the Board based on the recommendations of the Corporate Governance Committee, subject to the applicable laws, regulations and rules.

Committee members must be independent, unless the Board grants a waiver (in which case, a majority of members must be independent).

#### **3. Committee Chair**

Unless he is appointed by the Board, the committee members select one of their members to act as Chair.

The Chair of each committee will draw up the agenda of each meeting prior thereto, taking into account management's recommendations and the suggestions of the committee members.

#### **4. Committee Rules, Procedures, Duties and Responsibilities**

The rules, procedures, duties and responsibilities of each committee are set forth in its charter and include all responsibilities incumbent upon such a committee pursuant to the terms of the laws, regulations, rules and resolutions applicable thereto.

### **F. ORIENTATION AND CONTINUING EDUCATION**

New directors will have the opportunity to familiarize themselves with the Corporation's business, operations, financial position, policies and procedures, notably by way of presentations.

From time to time and as needed, the Corporation's management may give presentations to directors so they can (1) be fully cognizant of the business and legal matters affecting the Corporation and the extent of their duties and responsibilities as directors and (2) monitor the changes in these matters. Such presentations may be provided by the Corporation or outside parties, as the case may be.

**G. COMPENSATION OF DIRECTORS**

All directors who are not also employed by the Corporation or one its subsidiaries receive an adequate compensation in consideration of the services they provide as directors.

The Board is responsible for fixing the compensation of directors. The Compensation Committee periodically analyzes the compensation of the Corporation's directors and makes recommendations to the Board in this regard.

Directors' fees must (1) represent a fair and equitable compensation for the duties and responsibilities associated with the position of director of a company of a size and scope comparable to those of the Corporation and (2) ensure that the directors' interests correspond to the long-term interests of shareholders.

**H. PERIODIC EVALUATIONS OF BOARD AND DIRECTORS**

The Board performs an annual evaluation of the Board itself, its committees and its directors to ensure they are effective. The Corporate Governance Committee oversees this process.

**I. ACCESS TO INDEPENDANT ADVISORS**

Directors have full access to the Corporation's outside advisors should they deem it necessary at any time. In addition, the Board and each committee may, when they deem appropriate, retain the services of independent legal, financial or other advisors at the Corporation's expense.

**J. BOARD INTERACTIONS WITH SHAREHOLDERS, INVESTORS, THE MEDIA, ETC.**

As stated in the Corporation's Code of Conduct, the Chairman of the Board and Chief Executive Officer, President and Chief Operating Officer, Vice-President and Chief Financial Officer, and Director, Investor Relations and Corporate Communications are the Corporation's official spokespersons. Accordingly, directors should not individually meet with or contact interested parties or otherwise communicate therewith.