

VITALITY BIOPHARMA, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Vitality Biopharma, Inc. (the “Company”) has developed and adopted a set of corporate governance principles to provide the framework for the governance of the Company and to assist the Board in the exercise of its responsibilities. These guidelines reflect the Board’s commitment to monitoring the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing stockholder value over the long term. These guidelines are in addition to, and are not intended to change or interpret, any federal or state law or regulation, including the Nevada Corporation Act, or the Company’s Articles of Incorporation or Bylaws. The Board may amend these guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders. These guidelines are posted on the Company’s website.

I. ROLE OF THE BOARD

The basic responsibility of directors is to exercise their business judgment to act in what they reasonably believe is in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors. The Board is responsible for oversight of the business and affairs of the Company, determination of the Company’s mission, long-term strategy and objectives and management of the Company’s risks.

In addition to its general oversight of management, the Board or its committees perform the following principal functions:

- Review, evaluate, and, where appropriate, approve the Company’s business strategies and long-term plans, and evaluate its performance against such plans;
- Review, evaluate and approve major corporate actions;
- Oversee management’s efforts to establish and maintain for the Company appropriate standards of legal and ethical conduct, including with respect to the integrity of the Company’s accounting, financial reporting and finance processes and systems of internal control, compliance with law and the Company’s Code of Business Conduct and Ethics; and
- Select, evaluate and compensate the Company’s executive officers and review management succession planning.

II. BOARD COMPOSITION

A. Board Selection

The Nomination & Corporate Governance Committee shall make recommendations to the Board, which will be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders.

B. Director Qualifications

1. Independence. The Board will have a majority of independent directors as required by NYSE Amex Equities (“Amex”). The Company’s goal is that at least a majority of its directors will be independent at all times under the rules of Amex. The Board will determine each director’s independence on an annual basis, in accordance with the provisions of the Amex governance rules and any other standards established by the Board from time to time.

2. Other Criteria. The Nomination & Corporate Governance Committee shall establish policy and procedures for identifying and evaluating candidates for the board of directors. In addition, from time to time, the Nomination & Corporate Governance Committee shall assess the Board’s composition with respect to the qualifications set forth in such policy.

C. Size of the Board

The Board will assess its size from time to time. The number of members may change from time to time depending upon the needs of the Board and the availability of qualified candidates. It is the policy of the Company that the number of directors should not exceed a number that can function efficiently as a body. The Nomination & Corporate Governance Committee considers and makes recommendations to the Board concerning the appropriate size and composition of the Board.

D. Term Limits

The Board does not believe it should establish term limits. Such limits may lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operation and therefore provide an increasing contribution to the Board. Directors who have served on the Board for an extended period of time are in a position to provide valuable insight into the operation and future of the Company based on their experience with and understanding of the Company’s history, policies, operations and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and selection process described herein.

E. Former Officer’s Board Membership

When an officer who is also a member of the Board resigns, retires or is otherwise terminated as an officer of the Company, he or she must submit his or her resignation from the Board for consideration. Whether the resignation is accepted or rejected is a matter for consideration by the Board.

F. Retirement Age

The Board does not believe that a specified mandatory retirement age is necessary. The Nomination & Corporate Governance Committee evaluates each director’s contribution annually as part of the nominating process.

III. BOARD OPERATIONS

A. Chairman of the Board

The Board has the flexibility to decide whether it is in the best interests of the Company, at any given point in time, for the roles of the Chief Executive Officer and Chairman of the Board to be separate or combined.

B. Serving as Director of Other Companies

Serving as a director of the Company involves a significant time commitment; therefore, a director's acceptance of additional positions as a corporate director will be subject to the Board's review. No director shall serve as a director of another corporation or other organization that, in the reasonable judgment of the Board, competes with the Company. Before accepting a position as a director of another corporation or other organization, a director shall notify the Board so that the Board can consider whether the proposed directorship is appropriate in light of the guidelines set forth herein.

C. Board Meetings

1. Director Commitment and Attendance. The Board shall hold meetings at least four times a year. Absent unusual circumstances, directors are expected to attend all Board meetings and meetings of the committee(s) on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Each director is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a director of the Company. Directors are also expected to attend annual meetings of the Company's stockholders in person, absent a valid reason.

2. Agenda. The Chairman of the Board shall work with the Chief Executive Officer and establish the agenda for each Board meeting. Any director may suggest items for inclusion on the agenda and may raise subjects that are not on the agenda for that meeting. The Board shall review the Company's financial performance and business strategies and practices on at least an annual basis.

3. Advance Distribution of Board Materials. To the extent practical and appropriate, meeting agendas, as well as information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting, should generally be distributed in writing to the directors in advance of the meeting for review by the directors. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting. Directors are expected to review such materials prior to the meeting and should request any additional materials or resources they require to make informed decisions.

4. Executive Sessions. The Company's independent directors are expected to meet in executive session at each regularly scheduled Board meeting.

D. Access to Management and Independent Advisors

Directors have full access to the executive officers of the Company and the Company's outside advisors. Each director is expected to use his or her judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, coordinate any such contact with the Chairman or the Chief Executive Officer.

Legal counsel, outside accountants, compensation experts and other advisors may assist the Board in its consideration of matters. The Board and any Board committee has the right to retain outside financial, legal and other outside advisors of its choice with respect to any issues relating to its activities, at the Company's expense.

E. Director Orientation and Continuing Education

A newly elected director shall be provided with an orientation program designed to educate the new director about the Company, its policies and procedures and its business activities. This orientation program shall include briefings by senior management to familiarize new directors with the Company's Articles of Incorporation, Bylaws, Board Committee charters, the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, Corporate Governance Guidelines, its principal officers, and its internal and independent auditors.

Each director is expected to be involved in continuing director education on an ongoing basis to enable him or her to better perform his or her duties.

IV. BOARD COMMITTEES

A. Committees and Charters

The Board shall have an Audit Committee, a Compensation Committee and a Nomination & Corporate Governance Committee. Each committee will perform its duties as assigned by the Board in compliance with the Company's Bylaws, and shall have a charter that establishes the purposes, goals and responsibilities of the committees as well as the qualifications for committee membership. Committee charters will be posted on the Company's website. The Board may establish or maintain additional committees from time to time as necessary or appropriate.

B. Committee Membership

The members of the Audit Committee, Compensation Committee and the Nomination & Corporate Governance Committee shall be independent in accordance with the provisions of the Amex listing requirements, any other applicable rules and regulations. Committee members will be appointed annually by the Board upon recommendation of the Nomination & Corporate Governance Committee. Each committee will have a chairman designated by the Board, or, if the Board does not do so, the members of each committee shall elect a chairman by a vote of the majority of the full committee.

C. Committee Meetings, Agendas and Reports

The chairman of each committee shall preside at each committee meeting and, in consultation with the other members of that committee and in a manner consistent with the committee's charter, shall set the frequency and length of committee meetings. The chairman of each committee, in consultation with members of the committee and the Company's senior management, shall also set the agenda of items to be addressed at each meeting. To the extent practical and appropriate, the chairman of each committee shall ensure that the agenda for each meeting is circulated to each committee member in advance of the meeting. Committee members may suggest additional agenda items and may raise subjects that are not on the agenda. Each committee shall report regularly to the full Board with respect to its activities in a manner consistent with its charter.

V. MANAGEMENT EVALUATION AND SUCCESSION PLANNING

A. Selection of Chief Executive Officer

The Board selects and evaluates the Company's Chief Executive Officer in the manner that it determines to be in the best interests of the Company's stockholders.

B. Evaluation of Chief Executive Officer

The Compensation Committee shall conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter, and report to the Board on its evaluation. The Board shall review the Compensation Committee evaluation and recommendation, and evaluate the Chief Executive Officer's performance according to corporate goals and objectives established periodically by the full Board. The review shall serve as the basis for the recommendation of the Compensation Committee on compensation for the Chief Executive Officer. The Compensation Committee shall be responsible for overseeing the evaluation of the Company's senior management.

C. Management Succession

The Board is responsible for planning for the succession to the position of Chief Executive Officer and other senior management positions.

The Chairman and the Chief Executive Officer shall also review periodically with the non-management directors the performance of other key members of the senior management of the Company, as well as potential succession arrangements for such management members.

VI. DIRECTOR COMPENSATION

The Compensation Committee has the responsibility for determining the level and form of compensation and benefits for directors. In discharging this duty, the Compensation Committee will conduct a periodic review of the components and amount of director compensation in relation to other similarly situated companies. Board compensation will be consistent with market practices. No additional compensation is paid to members of management for serving on the Board.

VII. ANNUAL PERFORMANCE EVALUATIONS

The Nomination & Corporate Governance Committee is responsible for conducting an annual self-evaluation of the Board's effectiveness and performance and will report its conclusions to the full Board. The evaluation will focus on the Board's contributions to the Company and areas in which the Board or management believes that the Board could improve. Each of the Audit, Compensation and Nomination & Corporate Governance Committees will also conduct an annual self-evaluation, which will be presented to the Board. As part of the annual performance evaluation process, each committee will compare its performance with the requirements of its charter.