

Compensation Committee Charter

The Board of Directors of AdvanSource Biomaterials hereby establishes the Compensation Committee of the Board of Directors with the following purposes, authority, powers, duties and responsibilities:

1. **Members.** The Board of Directors shall appoint a Compensation Committee of at least three (3) members, consisting entirely of "independent" directors of the Board, and shall designate one (1) member as chairperson. "Independent director" means a director who meets the definition of "independence" within the rules and regulations of the Securities and Exchange Commission (the "SEC"), as determined by the Board of Directors. Each appointed member of the Compensation Committee will be subject to annual reconfirmation and may be removed by the Board of Directors at any time.

2. **Purposes, Duties and Responsibilities.** The Compensation Committee advises the Board of Directors with respect to the compensation of our senior employees and determines certain compensation awards for executives, employees who may be related to our officers or Directors, and our others employed who the Board may so designate, from time to time, as subject to Compensation Committee review. Specifically, the Compensation Committee will:

- Review annually our compensation philosophies and objectives and the elements of compensation and make recommendations to the full Board with respect to its adoption.
- Review, determine and recommend to the Board of Directors for approval the individual elements of the total compensation for the Chief Executive Officer ("CEO") who must not be present during the voting or deliberations of the Compensation Committee with respect to the compensation matters of the CEO.
- Review, determine and recommend to the Board of Directors for approval the individual elements of the total compensation of all other executive officers (other than the CEO), those employees who are related to our officers or Directors, and others who from time to time the Board may so designate as subject to Compensation Committee review.
- Review and analyze the appropriateness and adequacy of our annual, periodic or long-term incentive compensation programs and other benefit plans and assure that they are administered in a manner consistent with their terms, our compensation strategy and applicable rules and regulations.
- Make awards to those employees subject to Compensation Committee review under the incentive stock option plans and other plans as may be adopted by us.
- Prepare and approve reports on the Compensation Committee's compensation policies applicable to our executive officers, the factors and criteria on which the CEO's compensation was based, and such other matters as may be required by the applicable rules and regulations of the SEC, the OTCQB tier of the OTC

- Markets and other regulatory authorities, including without limitation the report required by Item 407 of SEC Regulation S-K.
- Review and discuss with our management the Compensation Discussion and Analysis required by Item 402 of SEC Regulation S-K, and based on such review and discussion, recommend to the Board that the Compensation Discussion and Analysis be included in our annual report or proxy statement, as applicable.
 - Review, recommend to the Board of Directors, and administer all plans that require "disinterested administration" under Rule 16b-3 under the Securities Exchange Act of 1934.
 - Approve the amendment or modification of any compensation or benefit plans pertaining to those subject to Compensation Committee review that do not require shareholders' approval.
 - Review and recommend to the Board of Directors changes to the outside directors' compensation.
 - Retain and set the compensation for outside consultants or advisors, including without limitation legal counsel or independent compensation consultants, and obtain assistance from members of management as the Compensation Committee deems appropriate in the exercise of its authority.
 - Make reports and recommendations to the Board of Directors within the scope of the Compensation Committee's functions.
 - Approve all special perquisites, special cash payments and other special compensation and benefit arrangements for those employees subject to Compensation Committee review.
 - Review the Compensation Committee Charter from time to time and recommend any changes thereto to the Board of Directors, and ensure that a copy of the Compensation Committee Charter will be available on the our website.

3. Meetings. The Compensation Committee will meet as often as it deems necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Committee determines. The majority of the members of the Compensation Committee constitutes a quorum and shall be empowered to act on behalf of the Compensation Committee. The Compensation Committee may, from time to time, delegate authority to subcommittees consisting of one or more members as it shall deem appropriate, subject to such reporting to or ratification by the Compensation Committee as the Compensation Committee shall direct. Minutes will be kept of each meeting of the Compensation Committee and any subcommittees thereof.