

## Board of Directors



**PETER A. W. GREEN**

Mr. Green is currently Chairman of the Board of Patheon Inc. He is also Lead Director of Superior Plus Inc. and a Director of Gore Mutual Insurance Company. Mr. Green has been Chairman of the Board of Patheon Inc. since 1996. He is a Chartered Accountant.



**ROBERT C. TEDFORD**

Mr. Tedford has been Chief Executive Officer of Patheon Inc. since 1996. He joined Patheon in 1992 as Chief Financial Officer. He is a graduate of McGill University and Harvard Business School's Advanced Management Program and is a Chartered Accountant. He has been a Director of Patheon since 1992.



**NICK A. DIPIETRO**

Mr. DiPietro is President and Chief Operating Officer of Patheon Inc. He joined a predecessor corporation of Patheon as Operations Manager in 1982, becoming President of the Niagara Region and Burlington operating divisions in 1989. He was appointed to his current position in 1996. Mr. DiPietro holds an Honours B.Sc. in Biochemistry and an MBA from McMaster University. He has been a Director of Patheon since 1993.



**JOAQUÍN B. VISO**

Mr. Viso joined the Board of Patheon on December 23, 2004. Mr. Viso founded MOVA Pharmaceutical Corporation in 1986 and currently is the President and Chief Executive Officer. Prior to founding MOVA, he was with SmithKline (now GlaxoSmithKline) for 16 years, where he held various senior management positions, including President and General Manager of SmithKline's operations in Puerto Rico from 1978 to 1986. Mr. Viso holds a Bachelor of Science in Mechanical Engineering from the University of Puerto Rico and a Master of Science in Engineering from the University of Michigan. He is also Chairman of Orbix Healthcare Corporation, and a Director of Universidad Central del Caribe, a privately funded medical school in Puerto Rico, and of Scotiabank of Puerto Rico.

**E. JAMES ARNETT, Q.C.**

Mr. Arnett is Special Advisor to the Premier of Ontario on the Steel Industry. He is also of Counsel to the law firm Fraser Milner Casgrain LLP, Chair of the Board of Trustees of KCP Income Fund and Canada's National History Society, Vice-Chair of Toronto East General Hospital, and a Director of Mirabaud Canada Inc. He served as President and Chief Executive Officer of Molson Inc. from 1997 to 2000. Mr. Arnett holds a B.A. and an LL.B. from the University of Manitoba, and a Master of Laws from Harvard University. He joined Patheon's Board in March 2001.

**THE HONOURABLE ROY MACLAREN, P.C.**

The Honourable Roy MacLaren, P.C., is currently a Director of Algoma Central Corporation, Brascan Inc., and Standard Life. He previously served as the High Commissioner for Canada to the United Kingdom of Great Britain and Northern Ireland from 1996 to 2000 and was formerly Canada's Minister of International Trade. Mr. MacLaren holds a B.A. from the University of British Columbia and an M.A. from the University of Cambridge. He joined Patheon's Board in January 2001.

**GEORGE L. PLODER**

Mr. Ploder is a Director of Bennett Environmental Inc. and Vital Retirement Living Inc. He served as Chief Executive Officer and President of Bracknell Corporation from 1989 to 1999. Mr. Ploder is a Chartered Accountant and has been a Director of Patheon since 1992, (and its predecessor corporations since 1981).

**DEREK J. WATCHORN**

Mr. Watchorn is President and Chief Executive Officer of Retirement Residences Real Estate Investment Trust in Toronto, Canada. He served in London, England, as Executive Vice-President, Strategic Initiatives, of Canary Wharf Group plc from January 2003 until June 2004 and as Executive Director of TrizecHahn Europe from 1999 until 2001. Before and after his senior management roles in Europe, Mr. Watchorn was a senior partner of the law firm Davies Ward Phillips & Vineberg LLP, which he joined in 1968. Mr. Watchorn holds an LL.B. from the University of Toronto and has been a Director of Patheon since 1998.

**GREGORY C. WILKINS**

Mr. Wilkins is Chief Executive Officer and President and a Director of Barrick Gold Corporation. Mr. Wilkins was a financial consultant from June 2001 until February 2003. He served as President and Chief Operating Officer of TrizecHahn Corporation Ltd. between 1996 and June 2001. Mr. Wilkins holds a B.Com. from Concordia University and is a Chartered Accountant. He joined Patheon's Board in March 2003.

## OVERVIEW

Patheon's Board of Directors has stewardship and responsibility, on behalf of Patheon's shareholders, for overseeing the proper and effective management of the Company. In fulfilling its mandate, the Board reviews and approves governance principles and guidelines which are consistent with Patheon's core principles of integrity, respect and excellence.

## EVOLVING PRACTICES

Patheon's approach to corporate governance is to ensure that the Company complies with changing regulatory standards, and adopts evolving corporate governance "best practices" where appropriate.

Patheon also reviews assessments of our corporate governance practices relative to other companies, as benchmarked in studies conducted by independent parties. We use these assessments to identify and implement improvements to our guidelines and practices.

## BOARD COMPOSITION AND RESPONSIBILITIES

Since 1996, the role of Chair of the Board of Directors has been separate from that of the Chief Executive Officer and has been held by an independent director who is not related to the Company.

Two-thirds of the Board of Directors, or six of nine members, are independent and not related to the Company.

This group is complemented by the following three additional directors: the Chief Executive Officer of Patheon, the President and Chief Operating Officer of Patheon, and the Chief Executive Officer of MOVA Pharmaceutical Corporation, Patheon's recently acquired Puerto Rican, U.S.A., subsidiary. The Board believes this composition allows for a constructive exchange of opinions leading to reasoned and informed decision-making on behalf of Patheon's shareholders.

Among the Board's principal responsibilities are the following:

- ♦ developing and monitoring Patheon's approach to corporate governance
- ♦ developing and reviewing Patheon's corporate disclosure policies
- ♦ responsibilities relating to management including:
  - satisfying itself as to the integrity of management and the fostering of a culture of integrity throughout the organization
  - succession planning for Patheon's senior management
  - adopting and implementing an executive compensation policy for Patheon's senior management
- ♦ oversight of the operation of the business including:
  - ensuring that adequate risk management practices and strategies are in place
  - strategic planning
  - ensuring the integrity of Patheon's internal control and management information systems
  - ensuring appropriate financial reporting
  - overseeing pension plan administration and related matters
  - monitoring compliance with the Code of Business Conduct.

A portion of every Board meeting is held *in camera* at which only non-management directors are present. In accordance with procedures of the Corporate Governance Committee, Board members are able to engage special advisors such as independent legal counsel or other professionals in appropriate circumstances.

## COMMITTEES

The Board's principal responsibilities are managed by three standing committees of the Board: Audit Committee, Corporate Governance Committee, and Compensation and Human Resources Committee.

All three of these committees are composed exclusively of independent, unrelated directors.

The following summarizes the principal duties and responsibilities of these committees, as reflected in their respective charters:

### Audit Committee

- ♦ Provides assistance to the Board of Directors in fulfilling its oversight responsibilities relating to:
  - Patheon's financial information, including financial statements and management discussion and analysis thereof
  - systems of internal accounting and financial controls
  - annual independent audit of Patheon's financial statements
  - legal compliance and ethics programs as established by management and the Board
- ♦ At each meeting, the Audit Committee meets *in camera* with the external auditor without management being present.

Members:           George L. Ploder (Chair)  
                          Peter A.W. Green  
                          Gregory C. Wilkins

Times met during year ended October 31, 2004: 4

**Compensation and Human Resources Committee**

- ♦ Monitors, evaluates and, where necessary, makes recommendations to the Board for purposes of ensuring that policies and programs relating to executive and director compensation: (a) are appropriate in light of individual executive responsibility and performance and the achievement of Patheon's objectives; and (b) will permit Patheon to attract and retain the services of experienced and highly qualified executives and members of the Board
- ♦ Reviews and makes recommendations to the Board about: (a) the specific employment contracts and compensation arrangements with Patheon's Chief Executive Officer and its Chief Operating Officer; and (b) the compensation and incentive programs for the executive officers and senior management of Patheon
- ♦ Ensures that there are effective succession plans in place for the Chief Executive Officer, Chief Operating Officer and other senior executives of Patheon
- ♦ Administers Patheon's Incentive Stock Option Plan and approves the grant of options under such Plan

Members:           Derek J. Watchorn (Chair)  
                           E. James Arnett  
                           Peter A.W. Green  
                           The Honourable Roy MacLaren, P.C.

Times met during year ended October 31, 2004: 3

**Corporate Governance Committee**

- ♦ Monitors and evaluates Patheon's corporate governance policies and procedures and proposes improvements as appropriate
- ♦ Acts as a forum for the concerns of individual directors of Patheon about matters which may not be appropriate for discussion in full meetings of the Board, including the performance of management or individual members of management or the performance of the Board or individual directors
- ♦ Recommends candidates for election to the Board

Members:           E. James Arnett (Chair)  
                           Peter A.W. Green  
                           The Honourable Roy MacLaren, P.C.  
                           George L. Ploder  
                           Derek J. Watchorn  
                           Gregory C. Wilkins

Times met during year ended October 31, 2004: 2

On November 3, 2004, the Board of Directors established a Special Committee, with Mr. E. James Arnett as Chair, comprising all of the independent directors of the Board, in connection with an investigation by the Ontario Securities Commission ("OSC") into trades of securities of the corporation by certain senior officers, including the Chief Executive Officer and the President and Chief Operating Officer, in January 2003. OSC staff has confirmed that Patheon itself is not under any investigation. The independent directors determined that it was important to conduct their own review of the facts and circumstances of the trades, assisted by independent counsel. In addition, special external counsel to Patheon reviewed the circumstances of these trades and advised that in his view these trades did not contravene Ontario securities laws. The Special Committee is satisfied with the results of its review and the advice that it and Patheon have received from their respective counsel in connection with this matter. The Special Committee will continue to monitor the matter until it is resolved.

**DISCLOSURE POLICY**

Patheon's Corporate Disclosure Policy guides Patheon in its interactions with shareholders, financial analysts and the public. It reflects the underlying principles that disclosure about material facts and material information about the Company should be: (i) timely, factual and accurate; and (ii) broadly disseminated in accordance with all applicable legal and regulatory requirements. The Policy also reflects "best practices" recommended by the Canadian Investor Relations Institute.

The Corporate Disclosure Policy contains a provision mandating its review by the Board at least every two years, and it was most recently reviewed and updated by the Board in January 2005. In addition, the Corporate Disclosure Policy has been made publicly available on Patheon's web site at [www.patheon.com](http://www.patheon.com).

**CODE OF BUSINESS CONDUCT**

The principles of integrity, respect and excellence are documented in Patheon's Code of Business Conduct, which was adopted by the Board of Directors in 2002 to provide guidelines to employees, board members and agents for addressing issues and questions relating to Patheon's business practices. A copy of Patheon's Code of Business Conduct is available on Patheon's web site at [www.patheon.com](http://www.patheon.com).

**FURTHER INFORMATION**

Further details of Patheon's approach to corporate governance matters are contained in our Proxy Circular for the 2005 Annual and Special Meeting of Shareholders.

## Senior Management



**ROBERT C. TEDFORD**  
CHIEF EXECUTIVE OFFICER

**NICK A. DIPIETRO**  
PRESIDENT AND  
CHIEF OPERATING OFFICER

**JOAQUÍN B. VISO**  
PRESIDENT AND  
CHIEF EXECUTIVE OFFICER,  
MOVA PHARMACEUTICAL  
CORPORATION



**CLIVE V. BENNETT**  
PRESIDENT,  
PATHEON NORTH AMERICA

**ALDO BRACA**  
PRESIDENT,  
PATHEON EUROPE

**SHABBIR T. ANIK, PH.D., MBA**  
EXECUTIVE VICE-PRESIDENT,  
GLOBAL PHARMACEUTICAL  
DEVELOPMENT SERVICES AND  
CHIEF SCIENTIFIC OFFICER

Prior to his appointment to Patheon's Management Advisory Board in January 2000, Mr. Bennett's 30-year career in the pharmaceutical industry included 23 years with Hoechst Marion Roussel (now sanofi-aventis), where he served as Senior Vice-President of Operations and Head of Global Drug Product Supply from 1995 until 1999. In that role, he was responsible for the company's dosage manufacturing network of 77 sites and 12,500 employees. Mr. Bennett served as a consultant to Patheon's European subsidiaries from July to December 2001, was appointed Executive Vice-President, Operations in January 2002 and to his current position in January 2004. He holds a Bachelor of Science (Hons.) in Chemistry from Bath University (U.K.).

Mr. Braca's career includes 29 years with the European operations of Bristol-Myers Squibb, where he held positions of increasing responsibility. Prior to joining Patheon in 1999, Mr. Braca was President – Worldwide Manufacturing, Technical Operations, Worldwide Medicines Group, Bristol-Myers Squibb, with responsibility for 32 manufacturing plants and approximately 10,000 employees. Mr. Braca joined Patheon in 1999 and was appointed Executive Vice-President, European Business Development and President, Patheon Italian S.p.A. in July 2001. He was appointed to his current position in January 2004. Mr. Braca has an educational background in industrial chemistry and also is a graduate of Harvard Business School's Advanced Management Program.

Dr. Anik began his career at Syntex where, over a 17-year period, he held positions of increasing responsibility in product development, manufacturing and program management. In 1995, he joined biotechnology company Neurex as head of Pharmaceutical Development and Operations, and in 1997 he became Vice-President of Product Development with a California-based contract pharmaceutical development company. He joined Patheon in 1999 and is responsible for building Patheon's PDS business globally. Dr. Anik received his Ph.D. in Pharmaceutical Sciences from the University of Wisconsin and his MBA from Santa Clara University. He has authored more than 50 technical publications and presentations and holds four patents.

## Management Advisory Board

Established in 1999, the Management Advisory Board provides strategic counsel to Patheon's senior executives on current developments in the global pharmaceutical industry, guiding the Company toward achieving the leadership position in providing pharmaceutical development and manufacturing services to the innovators in the industry.



**MICHAEL S. HARDING**  
EXECUTIVE VICE-PRESIDENT,  
GLOBAL QUALITY OPERATIONS

Mr. Harding brings more than 25 years of pharmaceutical manufacturing experience to his position. He joined Patheon in 1979, serving in a number of positions in client service and operations before becoming Production Manager at the Company's Niagara Region Operations facility in 1982. Mr. Harding subsequently held increasingly senior roles in quality affairs and in 1988 was appointed Director of Quality Assurance and Technical Affairs. He was appointed Senior Vice-President, Global Quality Operations in 1998 and to his current position in January 2004. Mr. Harding holds a Bachelor of Science (Hons.) in Biology from the University of Western Ontario.



**RONALD B. MITCHELL, C.A.**  
CHIEF FINANCIAL OFFICER  
AND SENIOR VICE-PRESIDENT,  
FINANCE

Mr. Mitchell joined Patheon in 2001. He has more than 25 years of financial management experience with both major public and private companies, including extensive experience in financial reporting, financings, international corporate and tax structuring, mergers and acquisitions, financial control systems and business financial planning. He has previously held executive positions with Thomson Newspapers Corporation and the St. Joseph Corporation. Mr. Mitchell has a Bachelor of Arts (Hons.) from Queen's University and is a Chartered Accountant.



**RICCARDO TRECROCE**  
GENERAL COUNSEL, SECRETARY  
AND SENIOR VICE-PRESIDENT,  
CORPORATE ADMINISTRATION

Mr. Trecroce joined Patheon in 2000. His background includes more than 20 years of corporate and commercial legal experience, focusing on acquisitions and divestitures, partnerships and joint ventures, shareholder relations, corporate governance and law firm management. Prior to joining Patheon, Mr. Trecroce was a partner for 12 years in the Toronto office of Fraser Milner Casgrain LLP, one of Canada's leading business law firms. Mr. Trecroce holds a Bachelor of Arts degree in International Relations from Concordia University and Bachelor of Laws and Bachelor of Civil Law degrees from McGill University. He was called to the Bar in the province of Alberta, Canada, in 1982 and in the province of Ontario, Canada, in 1985.



**TOM L. FERGUSON**  
SENIOR VICE-PRESIDENT,  
GLOBAL INFORMATION  
TECHNOLOGY

Mr. Ferguson is an accomplished IT professional who has been responsible for implementing a consistent systems strategy across Patheon's global network of facilities. After graduating from the University of Waterloo with an Honours Bachelor of Mathematics (Computer Science major) in 1989, Mr. Ferguson began his career with The Mutual Group, (now Sun Life Financial). He joined Patheon in 1993 and was appointed Vice-President, Information Technology in 2000 and to his current position in January 2004. He earned a Diploma in Accounting from Wilfrid Laurier University in 1993, and received his Certified Management Accountant designation in 1997.

**G. JOE BLAKER, PH.D.**

INDEPENDENT DIRECTOR AND BUSINESS ADVISOR

In 1999, Dr. Blaker joined Patheon's Management Advisory Board. Previously, he served as worldwide head of pharmaceutical and fine chemical manufacturing operations for Glaxo Wellcome, responsible for 53 manufacturing sites employing more than 18,000 people. Dr. Blaker serves as a non-executive director of a number of companies in the healthcare sector, including Genosis Ltd. and Idea AG. In addition, he acts as advisor to several other pharmaceutical and chemical companies. Dr. Blaker resides in Beaconsfield, England.

**RUDOLF A. MEYER**

BUSINESS ADVISOR

Mr. Meyer joined Patheon's Management Advisory Board in January 2002. An experienced pharmaceutical industry executive, Mr. Meyer served F. Hoffmann-La Roche during a distinguished 32-year career, most recently as Senior Vice President of Global Supply Chain and Manufacturing. Mr. Meyer is presently Chairman of InterPharmaLink AG, a globally active health-care consulting company based in Basel. In addition, he is a Board member of several private companies and provides advisory services to the pharmaceutical and biotechnology industry. Mr. Meyer is fluent in German, English, French and Spanish, and currently resides in Basel, Switzerland.