



# **KHIRON LIFE SCIENCES CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON FRIDAY, MAY 31, 2019**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED APRIL 30, 2019**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual general and special meeting (the “**Meeting**”) of the shareholders of Khiron Life Sciences Corp. (the “**Company**”) will be held at the offices of Gowling WLG (Canada) LLP, 1600-100 King St. W., Toronto, ON M5X 1G5, on May 31, 2019 at 11 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2018 together with the auditors’ report on those financial statements;
2. to appoint MNP LLP as auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
3. to fix the number of directors at six (6) and to elect the directors of the Company;
4. to consider, and if thought appropriate, pass an ordinary resolution ratifying and approving the amended and restated fixed stock option plan of the Company;
5. to consider, and if thought appropriate, pass an ordinary resolution of disinterested shareholders ratifying the issuance of past stock options issued under the stock option plan;
6. to consider, and if thought appropriate, pass an ordinary resolution ratifying and approving the amended and restated fixed restricted share unit plan of the Company;
7. to consider, and if thought appropriate, pass an ordinary resolution of disinterested shareholders ratifying the issuance of past restricted share units issued under the restricted share unit plan;
8. to transact any other business that may properly come before the Meeting or any adjournment of the Meeting.

A management information circular (the “**Circular**”) and a form of proxy (the “**Proxy**”) accompany this notice. The Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxyholder to attend and vote in his or her place. If you are unable to attend the meeting or any adjournment in person, please read the notes accompanying the enclosed Proxy and then complete, sign, and date the Proxy and return it in the manner, time and to the location set out in the notes. The Company’s management is soliciting the enclosed Proxy but, as set out in the notes, you may amend the Proxy if you wish by striking out the names listed and inserting in the space provided the name of the person you want to represent you at the meeting.

Please advise the Company of any change in your address.

**By Order of the Board of Directors**

*/s/ “Mark Monaghan”*

Mark Monaghan

Director

Khiron Life Sciences Corp.

April 30, 2019



**KHIRON LIFE SCIENCES CORP.**

2300-550 Burrard Street  
Vancouver, BC  
V6C 2B5

Tel: (705) 527-3564

**MANAGEMENT INFORMATION CIRCULAR**

**This Management Information Circular contains information as of April 30, 2019 (unless otherwise noted). Unless otherwise indicated, all amounts referenced herein are in Canadian dollars “\$”.**

**PERSONS MAKING THIS SOLICITATION OF PROXIES**

**This Management Information Circular is furnished to you in connection with the solicitation of proxies by or on behalf of the management of Khiron Life Sciences Corp. (“we”, “us” or the “Company”) for use at the 2019 Annual General Meeting (the “Meeting”) of the shareholders of the Company to be held on May 31, 2019, for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment thereof. The Company will conduct its solicitation primarily by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or personal contact. We will not specifically engage employees or soliciting agents to solicit Proxies. We will pay the expenses of this solicitation.**

**APPOINTMENT OF PROXYHOLDER**

**The person(s) designated by management of the Company as proxyholders in the enclosed proxy (the “Proxy”) are the Company’s directors or officers (the “Management Proxyholders”). As a shareholder, you have the right to appoint a person other than a Management Proxyholder to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the Proxy and strike out the other names or complete and deliver another appropriate Proxy. A proxyholder need not be a shareholder.**

A Proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

**REVOCABILITY OF PROXY**

**Any shareholder who has returned a Proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a shareholder, his attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a Proxy by instrument in writing, including a Proxy bearing a later date. The instrument revoking the Proxy must be deposited at the offices of TSX Trust Company, 301-100 Adelaide St. W., Toronto, Ontario M5H 4H1, at any time up to 48 hours prior to the date of the Meeting, excluding Saturdays, Sundays and holidays, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. OBOs (as defined below) who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees (as defined below) to so act on their behalf.**

## COMPLETION AND VOTING OF PROXIES

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a ballot on the questions is required or demanded, in which case each shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a special resolution (a “**special resolution**”) in which case a majority of two-thirds (2/3) of the votes cast will be required.

A shareholder or intermediary acting on behalf of a shareholder may indicate the manner in which the persons named in the enclosed Proxy are to vote with respect to any matter by checking the appropriate space. Shares represented by a properly executed Proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with your instructions on any ballot that may be called for and if you specify a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If you do not specify a choice and you have appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**If you do not specify a choice and you have appointed other than one of the Management Proxyholders as proxyholder, the proxyholder may vote in his/her discretion for the matters specified in the Proxy.**

If you or an intermediary acting on your behalf wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **IN SUCH INSTANCE, THE PROXYHOLDER, IF ONE PROPOSED BY MANAGEMENT, INTENDS TO VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.** The enclosed Proxy, when properly signed, also confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting. At the time of printing this Management Information Circular, our management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. If, however, other matters which are not now known to management should properly come before the Meeting, the persons named in the Proxy intend to vote on such other business in accordance with their best judgment.

The Proxy must be dated and signed by you or by your attorney authorized in writing or by the intermediary acting on your behalf. In the case of a corporation, the Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

**COMPLETED PROXIES TOGETHER WITH THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT WAS SIGNED OR A NOTARIALLY CERTIFIED COPY THEREOF MUST BE DEPOSITED WITH THE COMPANY’S TRANSFER AGENT, TSX TRUST COMPANY, OF 301-100 ADELAIDE ST. W., TORONTO, ONTARIO M5H 4H1, AT LEAST 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF. UNREGISTERED SHAREHOLDERS WHO RECEIVED THE PROXY THROUGH AN INTERMEDIARY MUST DELIVER THE PROXY IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN BY SUCH INTERMEDIARY. YOU MAY ALSO VOTE BY TELEPHONE AND INTERNET. PLEASE SEE THE PROXY FOR INSTRUCTIONS REGARDING INTERNET VOTING.**

### ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

Only shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator

of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “non-objecting beneficial owners” or “**NOBOs**”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “objecting beneficial owners” or “**OBOs**”.

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting materials, being the Notice of Meeting, this Management Information Circular, and the Proxy directly to NOBOs and to the Nominees for onward distribution to OBOs.

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a “**VIF**”), instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIF’s, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares of the Company which they beneficially own. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.**

#### NOTICE-AND-ACCESS

The Company is not sending the Meeting materials to shareholders using “notice-and-access”, as defined under NI 54-101.

#### INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the **ratification and approval** of the Company’s amended and restated stock option plan (“**Stock Option Plan**”) and amended and restated restricted share unit plan (“**RSU Plan**”), all described in this Management Information Circular.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

##### Voting of Common Shares – General

The Company is authorized to issue an unlimited number of common shares without par value. As of the record date, determined by the Company’s Board of Directors (the “**Board**”) to be the close of business on

April 24, 2019, a total of 92,072,502 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

### **Record Date**

Persons who are registered shareholders at the close of business on April 24, 2019, will be entitled to receive notice of, attend, and vote at the Meeting or any adjournment thereof.

### **Principal Holders of Common Shares**

As at the date of this Management Information Circular, Cannainversiones S.A.S. (“**Canna**”) holds an aggregate of 12,046,429 common shares of the Company, representing approximately 13% of the issued and outstanding shares of Khiron. Alvaro Torres, the Company’s Chief Executive Officer (“**CEO**”), holds a 33.33% ownership stake in Canna.

Other than as noted above, to the knowledge of the directors and senior officers of the Company, as at the date of this Management Information Circular, no other person or company beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the voting rights attached to the outstanding common shares of the Company.

## **FINANCIAL STATEMENTS**

The audited financial statements for the year ended December 31, 2018 of the Company together with the auditors’ report thereon have been delivered to the holders of common shares or are enclosed herewith. No formal action will be taken at the Meeting to approve the financial statements. If any holder of common shares has questions respecting the financial statements, the questions may be brought forward at the Meeting.

## **ELECTION OF DIRECTORS**

Directors are elected at each annual meeting and hold office until the next annual meeting of shareholders of the Company or until that person sooner ceases to be a director. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees listed in this Management Information Circular.

Shareholders will be asked to pass an ordinary resolution to set the number of directors at six (6) for the next year.

The Company is required to have an audit committee (the “**Audit Committee**”). Members of the Audit Committee are set out below. The Company also has a compensation committee (the “**Compensation Committee**”) and a Corporate Governance and Nominating Committee (“**CGN Committee**”). Members of the Compensation Committee and the CGN Committee are also set out below.

Management proposes to nominate the persons named in the table below for election as directors. Management does not anticipate that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the shares represented by the Proxy for the election of any other person or persons as directors.

The information concerning the proposed nominees has been furnished by each of them.



Name, Province or State and Country of Residence and Present Office Held	Director Since <sup>(5)</sup>	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
<b>Sidney Himmel</b> <sup>(2)(4)(6)</sup> Toronto, Ontario Chairman and Director	May 15, 2018	2,332,143	Chairman of the Board of Khiron Life Sciences Corp. since February 2017; Chairman of the Board of Namaste Technologies Inc. in 2016; President & CEO of IC Potash Corp. from September 2007 to July 2015.
<b>Alvaro Torres</b> <sup>(4)(6)</sup> Bogota, Colombia CEO and Director	May 15, 2018	4,015,477 <sup>(10)</sup>	CEO of Khiron Life Sciences Corp. since February 2017; Managing Director of Delphi Capital Partners from October 2015 to February 2017; Atrio Project Manager at QBO from July 2014 to June 2015; General Manager at Gomez Cajiao from August 2011 to June 2014.
<b>Mark Monaghan</b> <sup>(2)(3)(6)</sup> Panama City, Panama Director	May 15, 2018	2,569,500	Director of the Board of Khiron Life Sciences Corp. since February 2017; Director of Westbridge Energy Corp. from December 2014 to April 2018; Managing Director of Dalvay Capital Corporation since 2012.
<b>Alvaro Yañez</b> <sup>(3)(4)(7)</sup> Bogota, Colombia Director	May 15, 2018	Nil	Director of Khiron Life Sciences Corp. since May 2017; Legal Manager at Petrominerales Colombia Corp. from January 2017 to May 2017; Legal Manager at Pacific Stratus Colombia Corp. from 2010 to January 2017.
<b>Vicente Fox</b> <sup>(8)</sup> Guanajuato, Mexico Director	July 17, 2018	Nil	Director of the Board of Khiron Life Sciences Corp. since July 2018. President of the Vicente Fox Center of Studies, Library and Museum since January 2007.
<b>Michael Beck</b> <sup>(9)</sup> Tallahassee, Florida	N/A	Nil	Managing Partner at Regent Advisors since 1999.

## Notes:

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this Management Information Circular, based upon information furnished to the Company by individual directors.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the CGN Committee.
- (5) For the period prior to May 15, 2018, the directors of Khiron's predecessor, Adent Capital Corp. ("Adent"), a Capital Pool Company, were Anthony Viele, Kenneth Tollstam and Sruli Weinreb. Pursuant to Adent's January 24, 2018 management information circular, the current directors of the Company (except Vicente Fox) were approved subject to

- the completion of a reverse takeover transaction (the “QT”) between Khiron Life Sciences Corp., a corporation existing prior to the completion of the QT (“PrivateCo”), and Adent. The QT was finalized on May 16, 2018.
- (6) Mr. Himmel, Mr. Torres and Mr. Monaghan were appointed directors of PrivateCo prior to the QT on February 17, 2017.
  - (7) Mr. Yañez was appointed a director of PrivateCo prior to the QT on May 17, 2017.
  - (8) Mr. Fox was appointed as director in accordance with the Company’s articles.
  - (9) It is intended that Mr. Beck will be appointed to the Audit Committee. Mr. Beck has agreed with the Company that, in the event that the proposed transaction between the Company and Netta Growth International Inc. is not completed, Mr. Beck will resign as director of the Company.
  - (10) Mr. Torres holds these shares through his 33.33% ownership stake in Canna.

### **Cease Trade Orders or Bankruptcies**

To the knowledge of the Company’s management, no proposed director of the Company:

- (a) is, as at the date of the Management Information Circular, or has been within 10 years before the date of the Management Information Circular, a director, CEO, Chief Financial Officer (“CFO”) of any company (including the Company) that:
  - (i) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of the Management Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

For the purposes of this Management Information Circular, a “Named Executive Officer” or “NEO” of the Company means each of the following individuals:

- (a) our CEO;
- (b) our CFO; and
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of form 51-102F6V, for that financial year;
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

We had three Named Executive Officers during our financial year ended December 31, 2018, being Alvaro Torres, the Company’s CEO and a Director, Darren Collins, the Company’s CFO and Corporate Secretary, and Chris Naprawa, the Company’s President.

The table below sets out particulars of compensation paid to Directors and Named Executive Officers for services to the Company during the two most recently completed financial years for which such information is available.

Table of compensation excluding compensation securities							
Name and position	Year <sup>(1) (2) (6)</sup>	Salary, consulting fee, retainer, or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Alvaro Torres <sup>(3)</sup> , <i>CEO, Director</i>	2018	250,000	175,000	Nil	Nil	Nil	425,000
	2017	85,025	Nil	Nil	Nil	Nil	85,025
Darren Collins, <i>CFO, Corporate Secretary</i>	2018	130,000	75,000	Nil	Nil	Nil	205,000
	2017	85,025	Nil	Nil	Nil	Nil	85,025
Chris Naprawa <sup>(4)</sup> , <i>President</i>	2018	137,700	1,550,000	Nil	Nil	Nil	1,687,700
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Sidney Himmel, <i>Director</i>	2018	Nil	Nil	60,000	Nil	Nil	60,000
	2017	Nil	Nil	60,000	Nil	Nil	Nil
Mark Monaghan, <i>Director</i>	2018	Nil	75,000	120,000	Nil	Nil	195,000
	2017	Nil	Nil	60,000	Nil	Nil	60,000
Alvaro Yañez, <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Vicente Fox <sup>(5)</sup> , <i>Director</i>	2018	USD60,000	Nil	Nil	Nil	Nil	USD60,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Peter Simeon, <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Compensation information for 2018 relates to the period commencing after the QT to December 31, 2018, except for Vicente Fox and Chris Naprawa, who joined the Company on July 17, 2018 and June 26, 2018, respectively.
- (2) Compensation information for 2017 relates to the May 31, 2017 year end of Khiron's predecessor, Adent. Adent did not compensate any of the above directors or NEOs, and did not compensate any of its directors or officers in the 2017 fiscal year.
- (3) Mr. Torres received \$250,000 in consideration for his role as CEO and no compensation for his role as director.
- (4) Mr. Naprawa joined the Company on June 26, 2018
- (5) Mr. Fox joined the Board on July 17, 2018, for director fees of USD\$15,000 per month, payment of which started in September.
- (6) Anthony Viele, the former CEO of Adent, and Kenneth Tollstam, the former CFO of Adent, did not receive any compensation for their roles in the fiscal years 2017 or 2018.

## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company, for the most recent fiscal year ended December 31, 2018:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Alvaro Torres <sup>(4)</sup> , <i>CEO, Director</i>	RSU <sup>(2)</sup>	550,000 (10.71%)	May 23, 2018	Nil	N/A <sup>(3)</sup>	\$1.53	December 15, 2021
Darren Collins <sup>(5)</sup> , <i>CFO</i>	RSU <sup>(2)</sup>	425,000 (8.28%)	May 23, 2018	Nil	N/A <sup>(3)</sup>	\$1.53	December 15, 2021
Chris Naprawa <sup>(6)</sup> , <i>President</i>	Options <sup>(1)</sup>	200,000 (4.64%)	June 26, 2018	\$1.40	\$1.37	\$1.53	June 26, 2023
Sidney Himmel <sup>(7)</sup> , <i>Director</i>	RSU <sup>(2)</sup>	200,000 (3.89%)	May 23, 2018	Nil	N/A <sup>(3)</sup>	\$1.53	December 15, 2021
Mark Monaghan <sup>(8)</sup> , <i>Director</i>	RSU <sup>(2)</sup>	525,000 (10.22%)	May 23, 2018	Nil	N/A <sup>(3)</sup>	\$1.53	December 15, 2021
Alvaro Yañez <sup>(9)</sup> , <i>Director</i>	RSU <sup>(2)</sup>	150,000 (2.92%)	May 23, 2018	Nil	N/A <sup>(3)</sup>	\$1.53	December 15, 2021
Peter Simeon <sup>(10)</sup> , <i>Director</i>	RSU <sup>(2)</sup>	150,000 (2.92%)	May 23, 2018	Nil	N/A <sup>(3)</sup>	\$1.53	December 15, 2021

Notes:

- (1) Each Option is exercisable for one common share of Khiron.
- (2) Each RSU represents the right to receive one common share of Khiron.
- (3) Khiron's predecessor, Adent, had its securities halted by the TSX Venture Exchange ("TSXV") until May 24, 2018, two days after the completion of the QT, which was completed on May 16, 2018.
- (4) On December 31, 2018, Mr. Torres held 200,000 options and 550,000 RSUs. Mr. Torres's Options noted above vested in full on the grant date, and expire on April 19, 2022. Initially, 25% of all RSUs issued were scheduled to vest six months after shareholders approved the RSU Plan, with 25% vesting every six months thereafter. The acceleration of the RSU vesting schedule was approved by the Board on October 11, 2018. Fifty-per cent of all RSUs issued will now vest six months after shareholders approve the RSU Plan, with 25% vesting every six months thereafter.
- (5) On December 31, 2018, Mr. Collins held 200,000 options and 425,000 RSUs. Mr. Collins's Options noted above vested in full on the grant date, and expire on April 19, 2022. Initially, 25% of all RSUs issued were scheduled to vest six months after shareholders approved the RSU Plan, with 25% vesting every six months thereafter. The acceleration of the RSU vesting schedule was approved by the Board on October 11, 2018. Fifty-per cent of all RSUs issued will now vest six months after shareholders approve the RSU Plan, with 25% vesting every six months thereafter.
- (6) On December 31, 2018, Mr. Naprawa held 200,000 options. Mr. Naprawa's options vest over a two-year period, on a quarterly basis beginning six months after the grant date.
- (7) On December 31, 2018, Mr. Himmel held 200,000 options and 200,000 RSUs. Mr. Himmel's Options noted above vested in full on the grant date, and expire on April 19, 2022. Initially, 25% of all RSUs issued were scheduled to vest six months after shareholders approved the RSU Plan, with 25% vesting every six months thereafter. The acceleration of the RSU

vesting schedule was approved by the Board on October 11, 2018. Fifty-per cent of all RSUs issued will now vest six months after shareholders approve the RSU Plan, with 25% vesting every six months thereafter.

- (8) On December 31, 2018, Mr. Monaghan held 200,000 options and 525,000 RSUs. Mr. Monaghan's Options noted above vested in full on the grant date, and expire on April 19, 2022. Initially, 25% of all RSUs issued were scheduled to vest six months after shareholders approved the RSU Plan, with 25% vesting every six months thereafter. The acceleration of the RSU vesting schedule was approved by the Board on October 11, 2018. Fifty-per cent of all RSUs issued will now vest six months after shareholders approve the RSU Plan, with 25% vesting every six months thereafter.
- (9) On December 31, 2018, Mr. Yañez held 200,000 options and 150,000 RSUs. Mr. Yanez's Options noted above vested in full on the grant date, and expire on April 19, 2022. Initially, 25% of all RSUs issued were scheduled to vest six months after shareholders approved the RSU Plan, with 25% vesting every six months thereafter. The acceleration of the RSU vesting schedule was approved by the Board on October 11, 2018. Fifty-per cent of all RSUs issued will now vest six months after shareholders approve the RSU Plan, with 25% vesting every six months thereafter.
- (10) On December 31, 2018, Mr. Simeon held 200,000 options and 150,000 RSUs. Mr. Simeon's Options noted above vested in full on the grant date, and expire on April 19, 2022. Initially, 25% of all RSUs issued were scheduled to vest six months after shareholders approved the RSU Plan, with 25% vesting every six months thereafter. The acceleration of the RSU vesting schedule was approved by the Board on October 11, 2018. Fifty-per cent of all RSUs issued will now vest six months after shareholders approve the RSU Plan, with 25% vesting every six months thereafter.

### **Exercise of Compensation Securities**

During the most recent fiscal year ended December 31, 2018, no director or Named Executive Officer exercised any compensation securities.

### **Stock Option Plans and Other Incentive Plans**

#### ***Stock Option Plan***

The purpose of the Stock Option Plan is to: (i) provide Eligible Persons (as defined in the Stock Option Plan) with additional incentive; (ii) encourage stock ownership by such Eligible Person; (iii) encourage Eligible Persons to remain with Khiron; (iv) encourage Eligible Persons to remain with Khiron or its subsidiaries; and (v) attract new directors, employees and officers.

The Stock Option Plan is subject to the following restrictions:

- the number of common shares that may be reserved for issuance under the Stock Option Plan, together with any other securities compensation arrangement, is 11,974,500 common shares, being 20% of the 92,072,502 common shares outstanding as at April 24, 2019, less the number of RSUs and options issued as at April 24, 2019 (the "**Reserved Shares**");
- the expiry date of any option granted under the Stock Option Plan shall not exceed a period of 10 years;
- the number of common shares that may be reserved for issuance to an Eligible Person (as defined in the Stock Option Plan) in any 12 month period shall not exceed 5% of the Reserved Shares, unless any disinterested shareholder approval required by the TSXV has been obtained;
- the aggregate number of options granted to all Persons (as defined in the Stock Option Plan) conducting "Investor Relations Activities" in any 12 month period must not exceed, in the aggregate, 2% of the Reserved Shares; and
- the Company must not grant aggregate options to any one Consultant (as defined in the Stock Option Plan) in any 12 month period that exceeds 2% of the Reserved Shares.

The Stock Option Plan was approved by the shareholders of Khiron's predecessor, Adent, at its annual general meeting on March 5, 2018. Khiron will seek the ratification and approval of the amended and restated Stock Option Plan from its current shareholders at the Meeting, pursuant to the requirements of the TSXV.

The amended and restated Stock Option Plan increases the number of common shares reserved for issuance under all securities based compensation arrangements from 9,370,414 to 11,974,500, as noted above.

On May 23, 2018, Khiron issued options to certain individuals who provided advisory services to the Company, as follows:

<b>Position of Optionee<sup>(1)</sup></b>	<b>Number of Options Granted</b>	<b>Date of Grant</b>
Employee	655,000	May 23, 2018
Consultant	450,000	May 23, 2018
Officer	200,000	June 26, 2018
<b>Total:</b>	<b>1,305,000</b>	--

Note:

- (1) Capitalized terms in this column are defined in Part 1.1 – *Interpretation* and Policy 4.4 – *Incentive Stock Options* of the TSXV Corporate Finance Manual.

For additional information on the Stock Option Plan please see the full text of the Stock Option Plan set out in Schedule A to this Management Information Circular.

### ***RSU Plan***

The purpose of the RSU Plan is to strengthen the alignment of interests between the RSU Participants (as defined below) and the shareholders, and for the purposes of advancing the interests of the Khiron through the motivation, attraction and retention of the RSU Participants.

Pursuant to the RSU Plan, the Board may, from time to time, in its discretion and in accordance with TSXV requirements, grant (“**Grants**”) to directors, officers and employees of Khiron and its affiliates (collectively, the “**RSU Participants**”), restricted share units of Khiron (the “**RSUs**”). The terms and conditions attached to the Grants will be determined by the Board, in its sole discretion. The Board has the power and discretionary authority to determine the terms and conditions of the Grants, including the individuals who will receive the Grants, the number of RSUs subject to each Grant, the limitations or restrictions on vesting of Grants, acceleration of vesting or the waiver of forfeiture or other restrictions on Grants, the form of consideration payable on settlement of RSUs and the timing of the Grants. The Board also has the power to establish procedures for payment of withholding tax obligations with cash.

Each Grant will constitute an agreement to deliver RSUs or cash consideration to the RSU Participant in the future in consideration of the performance of services, subject to the fulfillment during the deferral period of such conditions as the Board may specify including, but not limited to, the RSU Participant’s achievement of specified management objectives. During the applicable deferral period for a given RSU award, the RSU Participant will not have ownership or voting rights with respect to the RSU or the underlying shares associated with the RSU.

The maximum number of common shares available for the purposes of the RSU Plan and all other security based compensation arrangements of Khiron, is 11,974,500 common shares, being 20% of the 92,072,502 common shares outstanding as at April 24, 2019, less the number of RSUs and options issued as at April 24, 2019. The aggregate number of common shares that may be reserved for issuance to any one person under the RSU Plan and all other security based compensation arrangements of Khiron will not exceed 5% of the then outstanding common shares. The RSU Plan limits insider participation such that the aggregate number of common shares (i) issuable to insiders of Khiron pursuant to the RSU Plan and all other security-based compensation arrangements of Khiron will not, at any time, exceed 10% of the total number of common shares then outstanding, and (ii) issued to insiders of Khiron pursuant to the RSU Plan and all other security based compensation arrangements of Khiron will not, within a one year period, exceed 10% of the total number of common shares then outstanding.

Subject to compliance with applicable laws, rules and regulations (including, where required, applicable rules of the TSXV), the Board is able to amend the RSU Plan or any award at any time provided that (i) such amendment would not cause the RSU Plan to cease to comply with paragraph (k) of the definition of “salary deferral arrangement” in subsection 248(1) of the *Income Tax Act* (Canada) (ii) such amendment cannot be made without obtaining the approval of the holders of the common shares, if such amendment would (a) increase the total number of common shares issuable pursuant to the RSU Plan, (b) remove or amend the provision relating to the maximum number of common shares issuable pursuant to the RSU Plan, (c) remove or amend the amendment and termination provisions, or (d) otherwise require TSXV and shareholder approval under the TSXV rules.

The RSU Plan was approved by the shareholders of Khiron’s predecessor, Adent, at its annual general meeting on March 5, 2018. Khiron will seek the ratification and approval of the amended and restated RSU Plan from its current shareholders at the Meeting, pursuant to the requirements of the TSXV.

The amended and restated RSU Plan increases the number of common shares reserved for issuance under all securities based compensation arrangements from 9,370,414 to 11,974,500, as noted above.

On May 23, 2018, Khiron issued RSUs to certain individuals who provided advisory services to the Company, as follows:

<b>Position of RSU Holder<sup>(1)</sup></b>	<b>Number of RSUs Granted</b>	<b>Date of Grant</b>
Officers <sup>(2)</sup>	975,000	May 23, 2018
Directors	1,125,000	May 23, 2018
Consultant	2,880,000	May 23, 2018
Employees	155,000	May 23, 2018
<b>Total:</b>	<b>5,135,000</b>	--

Notes:

- (1) Capitalized terms in this column are defined in Part 1.1 – *Interpretation* and Policy 4.4 – *Incentive Stock Options* of the TSXV Corporate Finance Manual.
- (2) Alvaro Torres’ RSUs are enumerated under the grants for Officers and not Directors.

For additional information on the RSU Plan please see the full text of the RSU Plan set out in Schedule B to this Management Information Circular.

## **Employment, Consulting and Management Agreements**

### ***Alvaro Torres***

On March 1, 2017, the Company entered into an employment agreement with Alvaro Torres. Pursuant to the agreement, Mr. Torres provides all services to fulfill the duties and responsibilities as Chief Executive Officer and a director in exchange for total consideration of \$250,000 per annum and is eligible to participate in the Company’s incentive stock option program. On June 26, 2018, Mr. Torres resigned as President of the Company.

The agreement may be terminated by either party in accordance with Colombian law. No severance payment is contemplated in the terms of the agreement.

### ***Darren Collins***

On February 17, 2017, the Company entered into a consulting agreement with Darren Collins through Mr. Collins’ wholly-owned and directly controlled corporation, 2263171 Ontario Inc. Pursuant to the agreement, Mr. Collins provides all services to fulfill the duties and responsibilities as the Company’s Chief

Financial Officer in exchange for consideration of \$10,000 per month and is eligible to participate in the Company's incentive stock option program.

The agreement may be terminated with cause, without prior written notice, and no continued fee payments to Mr. Collins by the Company. The agreement may also be terminated without cause, on 30 days' prior written notice. If terminated without cause, the Company must pay to Mr. Collins fees owing and expense reimbursements up to the date of termination.

### ***Chris Naprawa***

On June 26, 2018, the Company entered into a consulting agreement with Chris Naprawa through Mr. Naprawa's wholly-owned and directly controlled corporation, Napperville Corp. Pursuant to the agreement, Mr. Naprawa provides all services to fulfill the duties and responsibilities as President in exchange for consideration of \$22,950 per month, a one-time signing bonus of \$800,000, a bonus of \$500,000 if at any time the cash balance of the Company exceeds \$10,000,000 and an additional \$250,000 bonus for each \$10,000,000 multiple within a calendar period, and stock options to purchase an aggregate total of 200,000 common shares of the Company. The options shall expire 3 years from the date of grant. The options will vest over a two year period, on a quarterly basis beginning 6 months after the date of grant, and once vested, each stock option may be exercised to purchase one common share for \$1.40 per common share.

The agreement may be terminated at any time, with or without cause, on 90 days' notice. If terminated without cause by either party, the terminating party agrees to pay the other party the equivalent of 12 months of the most recently paid consulting fee. In the event the Company is purchased by another entity, the compensation fee will be 36 months' pay upon termination.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Compensation of Named Executive Officers***

The objectives of Khiron's executive compensation policy are: (i) to attract and retain individuals of high caliber to serve as officers of Khiron; (ii) to motivate performance in order to achieve Khiron's strategic objectives; and (iii) to align the interests of executive officers with the long-term interests of Khiron shareholders.

The Board, on the recommendation of management and the Compensation Committee, is responsible for setting the overall compensation strategy of Khiron and evaluating and making determinations for the compensation of its directors and executive officers. The Board, on the recommendation of management and the Compensation Committee, annually reviews and determines base salary.

Each executive officer receives a base salary. The salary of the executive officers of Khiron is believed to be similar to salaries provided in comparable companies. No personal benefits are granted to the executive officers of the Company. Khiron does not offer any group benefit plans, including medical, dental, life, accidental death and dismemberment and long term disability coverage. Khiron Colombia is required by law to offer health and life insurance benefits to its employees, and, as such, Alvaro Torres is granted those benefits.

While the Company reimburses its executive officers for expenses incurred in the course of performing their duties as executive officers, Khiron has not provided any compensation that would be considered a requisite or personal benefit to its executive officers.

The Company has a Stock Option Plan and RSU Plan, additional information for which can be found above at "*Stock Option Plans and Other Incentive Plans*".

### ***Compensation of Directors***



Directors of the Company do not receive any compensation for attending meetings of the Board, committees of the Board and shareholders meetings. Other than stock options and RSUs to purchase common shares, which are granted to the Company's directors from time to time, the Company pays certain directors a cash retainer for their services in order to: (i) to attract and retain individuals of high caliber to serve as directors of Khiron; (ii) to motivate performance in order to achieve Khiron's strategic objectives; and (iii) to align the interests of directors with the long-term interests of Khiron shareholders.

In 2018, the following Mark Monaghan, Sidney Himmel and Vicente Fox were compensated as follows:

<b>Name of Director</b>	<b>Monthly Retainer</b>	<b>Total 2018 Amount</b>
Mark Monaghan	\$10,000	\$120,000
Sidney Himmel	\$5,000	\$60,000
Vicente Fox	USD\$15,000	USD\$60,000

### **Pension Disclosure**

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

### **FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company has an incentive Stock Option Plan and RSU Plan under which stock options and restricted share units are granted. Stock options and restricted share units have been determined by the Company's Board and are only granted in compliance with applicable laws and regulatory policy. TSXV policies limit the granting of stock options to employees, officers, directors and consultants of the Company and provide limits on the length of term, number and exercise price of such options.

The following table provides information as at December 31, 2018 regarding the number of common shares to be issued pursuant to the Company's Stock Option Plan and RSU Plan. The Company does not have any equity compensation plans that have not been approved by its shareholders.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options (a)</b>	<b>Weighted-average exercise price of outstanding options (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders (Stock Option Plan and RSU Plan)	4,257,500 5,135,000	\$1.12 N/A	930,414
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>9,392,500</b>	<b>\$1.12</b>	<b>930,414</b>

None of the directors or executive officers of the Company, or proposed nominees for election as director of the Company or associates or affiliates of such persons are or have been indebted to the Company at any time since the beginning of the Company's last completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's financial year ended December 31, 2018, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## APPOINTMENT OF AUDITOR

**MNP LLP, Chartered Professional Accountants is the Company's auditor, and was first appointed as the Company's auditor on May 16, 2018 by the Board, upon the recommendation of the Audit Committee. Unless otherwise instructed, the Proxies given pursuant to this solicitation will be voted for the re-appointment of MNP LLP, Chartered Professional Accountants, as the auditors of the Company to hold office for the ensuing year at remuneration to be fixed by the Directors.**

## CORPORATE GOVERNANCE

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is presented below.

The independent members of the Board are Sidney Himmel, Peter Simeon, Vicente Fox, Mark Monaghan and Alvaro Yañez. The non-independent director is Alvaro Torres, the Company's CEO. It is anticipated that following the Meeting, Mark Monaghan will be appointed Executive Vice-Chairman of the Board and will cease to be independent.

### Board Mandate

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

## Directorships

The following directors of the Company are also directors of the below noted reporting issuers:

Name of Director	Name of Reporting Issuer	Name of Exchange
Peter Simeon	Amilot Capital Inc.	TSXV
	Phivida Holdings Inc.	Canadian Securities Exchange
	AFI Capital Corp.	TSXV
	Wolf Acquisition Corp.	TSXV
Darren Collins	Westbridge Energy Corp.	TSXV

## Orientation and Continuing Education

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

## Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these, combined with the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient.

## Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The CGN Committee is responsible for recruiting new members to the Board and planning for the succession of Board members.

## Compensation

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options and restricted share units, to be granted to the CEO of the Company and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (a) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (b) providing fair and competitive compensation; (c) balancing the interests of management and the Company's shareholders; (d) rewarding performance, both on an individual basis and with respect to operations in general; (e) the recommendations of the Compensation Committee; and (f) permitted compensation under TSXV policies.

## Committees of the Board

The Board has no committees other than the Audit Committee, the Compensation Committee and the CGN Committee.

## Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee, the Compensation Committee, the CGN Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Financial Statements

The audited financial statements of the Company for the year ended December 31, 2018 and the auditor's report thereon will be received at the Meeting. The audited financial statements of the Company and the auditor's report were delivered to each shareholder which has formally requested a copy thereof as required pursuant to applicable laws and are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### 2. Appointment of the Auditors

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing MNP LLP as auditors of the Company, to hold office until the close of the next annual meeting of shareholders, at such remuneration as may be fixed by the Board in accordance with the recommendation of the Audit Committee.

### 3. Election of Directors

At the Meeting, shareholders will vote on the election of directors. It is the intention of the persons named in the enclosed Proxy, if not expressly directed to the contrary in such Proxy, to vote such Proxies "FOR" setting the number of directors at six (6), and "FOR" the election of each of the nominees specified below as directors of Khiron. If, prior to the Meeting, any vacancies occur in the list of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote "FOR" the election of any substitute nominee or nominees recommended by management of Khiron and "FOR" the remaining proposed nominees. Management of the Company has been informed that each of the proposed nominees listed below is willing to serve as a director if elected. Each director, if elected, will hold office until the next annual meeting of shareholders, or until his successor is duly elected or appointed, unless his office is vacated prior to such time, in accordance with the articles of the Company.

Name, Province or State and Country of Residence and Present Office Held	Director Since
<b>Sidney Himmel</b> <sup>(1)(3)</sup> Toronto, Ontario Chairman and Director	May 16, 2018
<b>Alvaro Torres</b> <sup>(3)</sup> Bogota, Colombia CEO and Director	May 16, 2018
<b>Mark Monaghan</b> <sup>(1)(2)</sup> Panama City, Panama Director	May 16, 2018
<b>Alvaro Yañez</b> <sup>(2)(3)</sup> Bogota, Colombia Director	May 16, 2018
<b>Vicente Fox</b> Guanajuato, Mexico Director	July 17, 2018
<b>Michael Beck</b> <sup>(4)</sup> Tallahassee, Florida	N/A

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the CGN Committee.
- (4) It is intended that Mr. Beck will be appointed to the Audit Committee.

### ***Background of Proposed Directors***

The following is a brief description of each of the Board members of Khiron (including details with regard to their principal occupations for the last five years):

#### *Sidney Himmel, age 65, Director and Board Chairman*

Mr. Himmel has over 30 years of corporate and finance experience in the Canadian markets, having worked as an executive and director of public companies, and corporate finance, institutional sales and research professional for notable Canadian and US financial institutions, including Deloitte, TD Securities and Merrill Lynch Canada. His experience also includes the completion of significant financial transactions and commercial partnerships internationally as well as the oversight and development of management teams and boards. Mr. Himmel holds Bachelor of Science (Chemistry) and Bachelor of Arts (Business and Finance) degrees, both from the University of Toronto. Mr. Himmel received the Chartered Accountant designation in 1981.

#### *Alvaro Torres, age 40, Chief Executive Officer and Director*

Mr. Torres has over 15 years of experience in the Latin American market, including infrastructure projects and project finance, management strategy, team development, and mergers and acquisitions. Mr. Torres was previously head of business development for SNC-Lavalin, Colombia, and was instrumental in growing the company from two people to more than 2,000 people in Colombia over the course of three years. Mr. Torres has overseen the development of projects totaling over \$1 billion in capital expenditure, including the development and construction of Colombia's tallest skyscraper. Mr. Torres holds a Bachelor of Engineering and a Masters of Engineering from Rensselaer Polytechnic Institute and an MBA from Georgetown University.

Mr. Torres is responsible for the general management of the Company and devotes 100% of his time to the management of the Company. In the last five years, Mr. Torres has served as President of Gomez Cajiao, a multidisciplinary engineering and construction management service firm, Project Manager at QBO Constructores SAS, Founder and Managing Director of Delphi Capital Partners and CEO of Khiron Life Sciences Corp. Upon engagement with the Company, Mr. Torres executed standard non-competition and non-disclosure agreements.

*Mark Monaghan, age 49, Director*

Mr. Monaghan has over 25 years of experience as an advisor, founder and board member with investment banks, merchant banks and public companies. Mr. Monaghan has served in senior executive roles with British and Canadian investment and advisory firms. Over the course of his career, he has completed billions of dollars of transactions for growth companies internationally. In the last five years, Mr. Monaghan has served as Managing Director of Dalvay Capital Corp., an investment and advisory firm focused on Latin American growth opportunities. Upon engagement with the Company, Mr. Monaghan executed standard non-competition and non-disclosure agreements. Mr. Monaghan holds a Bachelor of Arts in economics from Queen's University and a Bachelor of Commerce from the University of Windsor.

*Alvaro Yañez, age 40, Director*

Mr. Yañez has over 15 years of commercial and legal experience in Colombia and internationally. In the last five years, Mr. Yañez has served as Legal Manager of Pacific Exploration and Production, the largest independent oil company in Colombia and as Partner of his law firm Yañez & Associates. Upon engagement with the Company, Mr. Yañez executed standard non-competition and non-disclosure agreements. Mr. Yañez has a law degree from Universidad del Rosario and an LL.M in corporate law from Instituto de Empresa.

*Vicente Fox, age 76, Director, Strategic Advisor and Brand Ambassador*

From December 2000 to November 2006, Mr. Fox was the 55<sup>th</sup> President of Mexico. Prior to his presidential nomination, Mr. Fox was CEO of Coca-Cola Latin America. In recent years, Mr. Fox founded the Centro Fox, a not-for-profit foundation dedicated to serving communities in México and Latin America. Currently, he serves on the board of directors for a leading US based cannabis publication advocating legalization.

The Company has appointed Mr. Fox to their board of directors as a strategic advisor and brand ambassador to further Khiron's brand and educational leadership interests throughout Latin America.

*Michael Beck, age 62, Experienced Equity Investor and Entrepreneur*

Michael Beck, a private equity investor with expertise in venture capital has agreed, subject to receipt of all required approvals, to join the Board. Mr. Beck brings corporate finance expertise to support the Company's and is currently a managing partner at Regent Advisors LLC, having started since 1999. Prior, he has co-founded and advised on a number of equity and debt financings for private and public companies including LSC Lithium Corp., Cobalt 27 Capital Corporation, Minerva Intelligence Inc., Voyager Digital Ltd., Circum Minerals Ltd., Polo Resources Limited, Uramin Inc, Titanium Resources Group, Copper Development Corporation, UraMin Inc., Diamond Fields International Ltd., Weda Bay Minerals Inc., Regent Pacific Group Limited and CCEC Ltd. He has an M.S. in Engineering from Princeton University and a B.S. (High Honors) in Engineering from Rutgers University.

#### 4. **Approval of the Amended and Restated Stock Option Plan by Ordinary Resolution**

At the Meeting, shareholders of the Company will be asked to consider and, if thought appropriate, to pass an ordinary resolution in the form set out below, ratifying and approving the Stock Option Plan. Additional

information regarding the Stock Option Plan can be found at “*Stock Option Plans and Other Incentive Plans*” above, and in full at Schedule A.

At the Meeting, shareholders will be asked to pass an ordinary resolution approving the amended and restated Stock Option Plan (the “**Stock Option Plan Resolution**”) in the following form:

“**BE IT RESOLVED, as an ordinary resolution, that:**

- a. The Company’s amended and restated stock option plan is ratified and approved;
- b. The Board of Directors be authorized on behalf of the Company to make any further amendments to the amended and restated stock option plan as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure adoption of the amended and restated stock option plan;
- c. The Company file the amended and restated stock option plan with the TSX Venture Exchange for acceptance; and
- d. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

**The Company’s Board unanimously recommends that shareholders vote FOR the Stock Option Plan Resolution.**

**In order to be effective, the Stock Option Plan Resolution must be approved by a majority (50%) of the votes cast by shareholders who vote in respect of the Stock Option Plan Resolution.**

**Unless the shareholder has specified in the enclosed Proxy that the shares represented by such Proxy are to be voted against the Stock Option Plan Resolution, the persons named in the enclosed Proxy will vote FOR the Stock Option Plan Resolution.**

#### 5. Approval of Issuance of Options by Ordinary Resolution of Disinterested Shareholders

Pursuant to TSXV rules, all options granted by the Company under the Stock Option Plan must be approved by a majority of the votes cast by all shareholders at the Meeting excluding votes attaching to shares beneficially owned by: (i) Persons to whom the options were awarded; and (ii) Associates of Persons referred to in (i) (“**Option Disinterested Shareholders**”). “**Associate**” and “**Person**” have the meanings ascribed to them in Part 1.1 of the TSXV Corporate Finance Manual.

These options may not be exercised until such time as they have been ratified and will be immediately cancelled if they are not ratified at the Meeting.

Certain shareholders holding an aggregate of 1,776,334 common shares will be excluded from voting on the Option Issuance Resolution (as defined below).

The following table summarizes the outstanding options that are subject to Option Disinterested Shareholder approval and ratification:

<b>Position of Optionee<sup>(1)</sup></b>	<b>Number of Options Granted</b>	<b>Date of Grant</b>
Employee	655,000	May 23, 2018
Consultant	450,000	May 23, 2018
Officer	200,000	June 26, 2018
<b>Total:</b>	<b>1,305,000</b>	--

Note:

- (1) Capitalized terms in this column are defined in Part 1.1 – *Interpretation* and Policy 4.4 – *Incentive Stock Options* of the TSXV Corporate Finance Manual.

At the Meeting, Option Disinterested Shareholders will be asked to consider and approve an ordinary resolution, in the following form, in order to approve the aforementioned issuances of options under the Stock Option Plan (“**Option Issuance Resolution**”):

**“BE IT RESOLVED, as an ordinary resolution, that:**

- a. 1,105,000 stock options granted by the Company on May 23, 2018 are ratified and approved.
- b. 200,000 stock options granted by the Company on June 26, 2018 are ratified and approved.
- c. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

**The Company’s Board unanimously recommends that Option Disinterested Shareholders vote FOR the Option Issuance Resolution.**

**In order to be effective, the Option Issuance Resolution must be approved by a majority (50%) of the votes cast by Option Disinterested Shareholders who vote in respect of the Option Issuance Resolution.**

**Unless the shareholder has specified in the enclosed Proxy that the shares represented by such Proxy are to be voted against the Option Issuance Resolution, the persons named in the enclosed Proxy will vote FOR the Option Issuance Resolution.**

6. **Approval of Amended and Restated RSU Plan by Ordinary Resolution of Disinterested Shareholders**

At the Meeting, RSU Plan Disinterested Shareholders (defined below) of the Company will be asked to consider and, if thought appropriate, to pass an ordinary resolution in the form set out below, ratifying and approving the amended and restated RSU Plan. “**RSU Plan Disinterested Shareholder**” is defined as any person eligible to receive RSUs, and their Associates. Additional information regarding the RSU Plan can be found at “*Stock Option Plans and Other Incentive Plans*” above, and in full at Schedule B.

Certain shareholders holding an aggregate of 14,604,773 common shares will be excluded from voting on the RSU Plan Resolution (as defined below).

At the Meeting, RSU Plan Disinterested Shareholders will be asked to pass an ordinary resolution approving the amended and restated RSU Plan (the “**RSU Plan Resolution**”) in the following form:

**“BE IT RESOLVED, as an ordinary resolution, that:**

- a. The Company’s amended and restated restricted share unit plan is ratified and approved;
- b. The Board of Directors be authorized on behalf of the Company to make any further amendments to the amended and restated restricted share unit plan as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure adoption of the amended and restated restricted share unit plan;



- c. The Company file the amended and restated restricted share unit plan with the TSX Venture Exchange for acceptance; and
- d. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

**The Company’s Board unanimously recommends that RSU Plan Disinterested Shareholders vote FOR the RSU Plan Resolution.**

**In order to be effective, the RSU Plan Resolution must be approved by a majority (50%) of the votes cast by RSU Plan Disinterested Shareholders who vote in respect of the Stock Option Plan Resolution.**

**Unless the shareholder has specified in the enclosed Proxy that the shares represented by such Proxy are to be voted against the RSU Plan Resolution, the persons named in the enclosed Proxy will vote FOR the RSU Plan Resolution.**

#### 7. Approval of Issuance of RSUs by Ordinary Resolution of Disinterested Shareholders

Pursuant to TSXV rules, all RSUs granted by the Company under the RSU Plan must be approved by a majority of the votes cast by all shareholders at the Meeting excluding votes attaching to shares beneficially owned by: (i) Persons to whom the RSUs were awarded; and (ii) Associates of Persons referred to in (i) (“**RSU Disinterested Shareholders**”). These RSUs may not vest until such time as they have been ratified and will be immediately cancelled if they are not ratified at the Meeting.

Certain shareholders holding an aggregate of 12,768,511 common shares will be excluded from voting on the RSU Issuance Resolution (as defined below).

The following table summarizes the outstanding RSUs that are subject to RSU Disinterested Shareholder approval and ratification:

<b>Position of RSU Holder<sup>(1)</sup></b>	<b>Number of RSUs Granted</b>	<b>Date of Grant</b>
Officer	975,000	May 23, 2018
Director	1,125,000	May 23, 2018
Consultant	2,880,000	May 23, 2018
Employee	155,000	May 23, 2018
<b>Total:</b>	<b>5,135,000</b>	--

Note:

- (1) Capitalized terms in this column are defined in Part 1.1 – *Interpretation* and Policy 4.4 – *Incentive Stock Options* of the TSXV Corporate Finance Manual.

At the Meeting, RSU Disinterested Shareholders will be asked to consider and approve an ordinary resolution, in the following form, in order to approve the aforementioned issuances of RSUs under the RSU Plan (“**RSU Issuance Resolution**”):

**“BE IT RESOLVED, as an ordinary resolution, that:**

- a. 5,135,000 restricted share units granted by the Company on May 23, 2018 are hereby ratified and approved.
- b. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

**The Company's Board unanimously recommends that RSU Disinterested Shareholders vote FOR the RSU Issuance Resolution.**

**In order to be effective, the RSU Issuance Resolution must be approved by a majority (50%) of the votes cast by RSU Disinterested Shareholders who vote in respect of the RSU Issuance Resolution.**

**Unless the shareholder has specified in the enclosed Proxy that the shares represented by such Proxy are to be voted against the RSU Issuance Resolution, the persons named in the enclosed Proxy will vote FOR the RSU Issuance Resolution.**

### **ADDITIONAL INFORMATION**

Additional information about the Company is located on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's financial statements and Management's Discussion and Analysis ("MD&A") for the financial year ended December 31, 2018, which were filed on SEDAR on April 30, 2019.

Under National Instrument 51-102 *Continuous Disclosure Obligations*, any person or company who wishes to receive interim financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed Proxy, in the addressed envelope provided, to the Company's registrar and transfer agent, TSX Trust Company 301-100 Adelaide St. W., Toronto, Ontario M5H 4H1. The Company will maintain a supplemental mailing list of persons or companies wishing to receive interim financial statements.

Shareholders may contact the Company to request copies of the financial statements and MD&A by writing to the Company's CFO, Darren Collins, at the following address:

**KHIRON LIFE SCIENCES CORP.**  
2300-550 Burrard Street  
Vancouver, BC  
V6C 2B5

### **OTHER MATERIAL FACTS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by Proxy.

DATED at Toronto, Ontario, on the 30 day of April, 2019.

BY ORDER OF THE BOARD

**KHIRON LIFE SCIENCES CORP.**

/s/ "Mark Monaghan"  
Mark Monaghan  
Director

## SCHEDULE A

### KHIRON LIFE SCIENCES CORP.

#### AMENDED AND RESTATED STOCK OPTION PLAN

### ARTICLE 1

#### DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

For the purposes of this Plan, the following terms have the following meanings:

- 1.1.1 “**Applicable Laws**” means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations and orders of any Governmental Authority having authority over that Person, property, transaction or event.
- 1.1.2 “**Blackout Period**” means the period during which designated Persons cannot trade Shares pursuant to the Corporation’s policy, if any, respecting restrictions on trading which is in effect at that time.
- 1.1.3 “**Board**” means the board of directors of the Corporation.
- 1.1.4 “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.
- 1.1.5 “**Change of Control Transaction**” means:
  - 1.1.5.1 the acquisition of a sufficient number of voting securities in the capital of the Corporation so that the acquiror, together with Persons acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation);
  - 1.1.5.2 the completion of a consolidation, merger, arrangement or amalgamation of the Corporation with or into any other entity whereby the voting securityholders of the Corporation immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity; or
  - 1.1.5.3 the completion of a sale whereby all or substantially all of the Corporation’s undertakings and assets become the property of any other entity and the voting securityholders of the Corporation immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale.

- 1.1.6 “**Consultant**” means a Person, or an individual employed by a Person, other than an Employee or a Director, that:
- 1.1.6.1 is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a distribution of securities;
  - 1.1.6.2 provides the services under a written contract with the Corporation or a Subsidiary;
  - 1.1.6.3 in the reasonable opinion of the Board, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary; and
  - 1.1.6.4 has a relationship with the Corporation or a Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Corporation.
- 1.1.7 “**Corporation**” means Khiron Life Sciences Corp.
- 1.1.8 “**Director**” means a director or senior officer of the Corporation or any Subsidiary.
- 1.1.9 “**Disability**” means a physical or mental incapacity or disability that prevents the Eligible Person from performing the essential duties of the Eligible Person’s employment or service with the Corporation or any Subsidiary, and which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Corporation or the Subsidiary employing or engaging the Eligible Person, as determined by the Board for the purposes of this Plan.
- 1.1.10 “**Early Expiry Date**” is defined in Section 4.10.1.2.
- 1.1.11 “**Eligible Person**” means any Employee, Director or Consultant.
- 1.1.12 “**Employee**” means:
- 1.1.12.1 an individual who is considered an employee of the Corporation or any Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
  - 1.1.12.2 an individual who works full-time for the Corporation or any Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the relevant Subsidiary over the details and methods of work as an employee of the Corporation or the relevant Subsidiary, but for whom income tax deductions are not made at source; or
  - 1.1.12.3 an individual who works for the Corporation or any Subsidiary on a continuing and regular basis for at least 20 hours per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the relevant Subsidiary over the details and methods of work as an employee of the Corporation or the relevant Subsidiary, but for whom income tax deductions are not made at source.

- 1.1.13 “**Exchange**” means the TSX Venture Exchange.
- 1.1.14 “**Governmental Authority**” means:
- 1.1.14.1 any federal, provincial, state, local, municipal, regional, territorial, aboriginal or other government, any governmental or public department, branch or ministry, or any court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and
  - 1.1.14.2 any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- 1.1.15 “**Grant Date**” means, for any Option, the date on which that Option is granted.
- 1.1.16 “**Insider**” means “Insider” as defined in the TSX Venture Exchange Corporate Finance Manual (as amended at any time).
- 1.1.17 “**Investor Relations Activities**” means “Investor Relations Activities” as defined in the TSX Venture Exchange Corporate Finance Manual (as amended at any time).
- 1.1.18 “**Investor Relations Participant**” means a Consultant that performs Investor Relations Activities or an Employee or Director whose roles and duties primarily consist of Investor Relations Activities.
- 1.1.19 “**Option**” means an option to purchase Shares granted to an Eligible Person under the terms of this Plan.
- 1.1.20 “**Option Agreement**” means the option agreement evidencing an Option issued pursuant to this Plan.
- 1.1.21 “**Option Exercise Price**” is defined in Section 4.3.
- 1.1.22 “**Option Expiry Date**” is defined in Section 4.4.
- 1.1.23 “**Participant**” means an Eligible Person to whom an Option has been granted.
- 1.1.24 “**Person**” will be broadly interpreted and includes:
- 1.1.24.1 a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person;
  - 1.1.24.2 a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and
  - 1.1.24.3 a Governmental Authority.
- 1.1.25 “**Plan**” means this stock option plan of the Corporation.
- 1.1.26 “**Remittance Amount**” is defined in Section 4.9.1.1.

- 1.1.27 “**Restricted Person**” is defined in Section 2.3.6.2.
- 1.1.28 “**Retirement**” means retirement from active employment or service with the Corporation or a Subsidiary:
- 1.1.28.1 at or after age 65; or
  - 1.1.28.2 with the consent of any officer of the Corporation as may be designated for the purposes of this Plan by the Board, at or after any earlier age and on the completion of any number of years of service as the Board may specify.
- 1.1.29 “**Share Compensation Arrangement**” means any stock option plan of the Corporation (other than this Plan), including the Corporation’s restricted share unit plan, and any stock option granted by the Corporation outside of this Plan.
- 1.1.30 “**Shares**” means common shares in the capital of the Corporation.
- 1.1.31 “**Subsidiary**” means a body corporate that is controlled by the Corporation and, for the purposes of this definition, a body corporate will be deemed to be controlled by the Corporation if the Corporation, directly or indirectly, has the power to direct the management and policies of the body corporate by virtue of ownership of, or direction over, voting securities in the body corporate.
- 1.1.32 “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person and, in the case of an Employee, means the date on which the Employee ceases to actively perform services for the Corporation or any Subsidiary (excluding any notice period which may extend beyond the date on which active services cease).

## 1.2 Certain Rules of Interpretation

- 1.2.1 In this Plan, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “**including**” or “**includes**” in this Plan is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
- 1.2.2 The division of this Plan into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan.
- 1.2.3 References in this Plan to an Article or Section are to be construed as references to an Article or Section of or to this Plan unless otherwise specified.
- 1.2.4 Unless otherwise specified in this Plan, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day. Unless otherwise determined by the Board, if an Option would, under the terms of this Plan or the Option Agreement, otherwise expire or terminate on a day which is not a Business Day, the Option will expire or terminate on the next Business Day.
- 1.2.5 Unless otherwise specified, any reference in this Plan to any statute, rule or policy includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute, rule or policy as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

### **1.3 Governing Law**

This Plan and each Option Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

## **ARTICLE 2 ESTABLISHMENT OF PLAN**

### **2.1 Purpose**

- 2.1.1 The Corporation establishes this Plan to govern the grant, administration and exercise of Options which may be granted to bona fide Eligible Persons.
- 2.1.2 The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in equity ownership on the part of Eligible Persons who are responsible for the continued success of the Corporation; to create in those Eligible Persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage Eligible Persons to remain with the Corporation and any Subsidiaries; and to attract new Employees, Directors and Consultants.
- 2.1.3 This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of the highest calibre by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

### **2.2 Shares Reserved and Plan Limits**

- 2.2.1 The number of Shares that may be reserved for issuance under this Plan and under any other Share Compensation Arrangement will not exceed, in the aggregate, 11,974,500 Shares.
- 2.2.2 The Corporation will at all times during the term of this Plan reserve and keep available the number of Shares necessary to satisfy the requirements of this Plan.

### **2.3 Limits on Certain Grants**

- 2.3.1 An Option may only be granted to a Consultant under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Consultants, does not exceed, in aggregate, 2% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to Consultants within the previous one-year period pursuant to the exercise of options).
- 2.3.2 An Option may only be granted to an Investor Relations Participant under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Investor Relations Participants, does not exceed, in aggregate, 2% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to Investor Relations Participants within the previous one-year period pursuant to the exercise of options). Further, Options issued to an Investor Relations Participant under this plan shall vest in stages over a period of not less than 12 months with not more than 1/4 of the Options vesting in any three (3) month period.

- 2.3.3 An Option may only be granted to a Person under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to that Person, does not exceed, in aggregate, 5% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to that Person within the previous one-year period pursuant to the exercise of options), unless any disinterested shareholder approval required by the Exchange has been obtained.
- 2.3.4 Unless disinterested shareholder approval is obtained, the number of Shares that may be reserved for issuance to Insiders under this Plan and under any other Share Compensation Arrangement will not exceed, in the aggregate, 10% of the outstanding Shares (on a non-diluted basis) at any point in time.
- 2.3.5 Unless disinterested shareholder approval is obtained, an Option may only be granted to an Insider under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Insiders, does not exceed, in aggregate, 10% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to Insiders within the previous one-year period pursuant to the exercise of options).
- 2.3.6 For the purposes of calculating the limits in this Section 2.3:
- 2.3.6.1 the number of Shares reserved for issuance under an option means the number of Shares which were originally reserved for issuance upon the date of grant of the option (except for the purposes of calculating the limit in Section 2.3.4, in which case the number of Shares reserved for issuance means the number of Shares reserved for issuance at the time of the calculation); and
- 2.3.6.2 any options granted within the relevant time but prior to the grantee becoming a Consultant, Investor Relations Participant or Insider, as applicable (a “**Restricted Person**”), and any Shares reserved or issued under those grants, will be included in the number of options granted to those Restricted Persons, in the number of Shares reserved for issuance to those Restricted Persons, and in the number of Shares issued to those Restricted Persons, if the grantee becomes a Restricted Person on or before the date the calculation is made.

## 2.4 Expired or Terminated Options

If and to the extent any Option granted under this Plan expires or is terminated without having been exercised in whole or in part, the number of Shares then subject to that Option will be considered to be part of the pool of Shares available for Options under this Plan.

## 2.5 Non-Exclusivity

Nothing contained in this Plan will prevent the Board from adopting other or additional incentive compensation arrangements, whether Share Compensation Arrangements or otherwise.

## 2.6 Effective Date

This Plan will be effective as of May 31, 2019.



**ARTICLE 3  
ADMINISTRATION OF PLAN**

**3.1 Administration of the Plan**

3.1.1 Subject to the provisions of this Plan, Applicable Laws, and the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed), the Board will have full power and authority to:

- 3.1.1.1 administer this Plan in accordance with its express terms;
- 3.1.1.2 determine all questions arising in connection with the administration, interpretation, and application of this Plan;
- 3.1.1.3 prescribe, amend, and rescind rules and regulations relating to the administration of this Plan; and
- 3.1.1.4 make all other determinations necessary or advisable for the administration of this Plan.

All determinations made in good faith on the matters referred to in this Section 3.1.1 will be final, conclusive, and binding on the Corporation and the relevant Participant.

3.1.2 Subject to Applicable Laws, and the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed), the Board may, by resolution, at any time:

- 3.1.2.1 delegate any of its powers, rights and obligations under Section 3.1.1 to any committee of the Board; and
- 3.1.2.2 amend or rescind the delegation of any of its rights, powers and obligations effected under Section 3.1.2.1.

**3.2 Record Keeping**

The Corporation will maintain a register in which will be recorded:

- 3.2.1 with respect to each Option granted to a Participant:
  - 3.2.1.1 the name and address of the Participant;
  - 3.2.1.2 the Grant Date;
  - 3.2.1.3 the number of Shares issuable under the Option as of the Grant Date;
  - 3.2.1.4 the Option Exercise Price;
  - 3.2.1.5 any vesting conditions;
  - 3.2.1.6 the number of Shares issued under the Option (and the dates of issuance); and
  - 3.2.1.7 the Option Expiry Date; and
- 3.2.2 the aggregate number of Shares subject to Options.

### **3.3 Adjustments to Options**

- 3.3.1 If any material change in the outstanding Shares occurs by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, the Board may make any proportionate adjustments to this Plan and any outstanding Options that the Board deems equitable and appropriate to reflect that change. Any adjustment under this Section 3.3.1 will be made in the sole discretion of the Board, and will be conclusive and binding for all purposes of this Plan.
- 3.3.2 No fractional Shares will be issued on the exercise of an Option. If, as a result of any adjustment as provided in this Section 3.3, a Participant would be entitled to a fractional Share, the Participant will have the right to purchase only the number of full Shares that is calculated under that adjustment, and no payment or other adjustment will be made with respect to that fractional Share.

### **3.4 Termination of the Plan**

The Board may terminate this Plan at any time in its absolute discretion (without shareholder approval). If this Plan is terminated, no further Options will be granted but the Options then outstanding will continue in full force and effect in accordance with the provisions of this Plan, until the time they are exercised or terminated or expire under the terms of this Plan and the applicable Option Agreements.

### **3.5 General**

The existence of any Option will not affect, in any way, the right or power of the Corporation to:

- 3.5.1 make or authorize any recapitalization, reorganization or other change in the Corporation's capital structure or business;
- 3.5.2 participate in any amalgamation, combination, merger or consolidation;
- 3.5.3 create or issue any securities or change the rights and conditions attaching to any of its securities;
- 3.5.4 effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business; or
- 3.5.5 effect any other corporate act or proceeding, whether of similar character or otherwise.

### **3.6 Compliance with Applicable Laws**

- 3.6.1 This Plan, the grant and exercise of Options, the Corporation's obligation to issue Shares on the exercise of Options, and all other actions taken under this Plan will be subject to Applicable Laws, to the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed) and to any approvals by any Governmental Authority which, in the opinion of counsel to the Corporation, are necessary or advisable.
- 3.6.2 No Option will be granted and no Shares issued under this Plan if that grant or issue would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction. Any purported grant of any Option or issue of Shares under this Plan in violation of this Section 3.6.2 will be void.
- 3.6.3 Shares issued to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under Applicable Laws.

## ARTICLE 4 TERMS OF OPTIONS

### 4.1 Grants

- 4.1.1 Subject to the provisions of this Plan, the Board will have the authority to grant Options to Eligible Persons, and to determine the terms and conditions applicable to the exercise of those Options, including, for each Option:
- 4.1.1.1 the number of Shares issuable under the Option;
  - 4.1.1.2 the Option Exercise Price;
  - 4.1.1.3 the Option Expiry Date;
  - 4.1.1.4 the vesting conditions, if any;
  - 4.1.1.5 the nature and duration of the restrictions, if any, to be imposed on the sale or other disposition of Shares acquired on the exercise of the Option; and
  - 4.1.1.6 the events, if any, that could give rise to a termination of the Participant's rights under the Option, and the period in which such a termination can occur.
- 4.1.2 Each Option must be confirmed by an Option Agreement executed by the Corporation and by the Participant to whom that Option is granted. Subject to specific variations approved by the Board in respect of any Option, those variations not to be inconsistent with the provisions of this Plan, all terms and conditions set out in this Plan will be incorporated by reference into and form part of each Option Agreement.
- 4.1.3 If an Option is to be granted to an Employee or a Consultant, the Corporation and the Person to whom that Option is proposed to be granted are responsible for ensuring and confirming that the Person is a bona fide Employee or Consultant.

### 4.2 Multiple Grants

An Eligible Person may be granted Options on more than one occasion under this Plan and be granted separate Options on any one occasion.

### 4.3 Option Exercise Price

The Board will set the option exercise price (the "**Option Exercise Price**") in respect of each Share issuable under an Option granted to a Participant. The Option Exercise Price will not be less than the fair market value of a Share on the Grant Date and, if the Shares are listed on the Exchange, will be subject to the minimum Option Exercise Price permitted by the Exchange. For the purposes of this Section 4.3, "**fair market value**" means:

- 4.3.1 if the Shares are listed on the Exchange, the last closing price of the Shares on the Exchange before the grant of the Option;
- 4.3.2 if the Shares are not then listed on the Exchange, but are listed on another stock exchange or market, the last closing price of the Shares on the stock exchange or market before the grant of the Option; or

- 4.3.3 if Sections 4.3.1 and 4.3.2 do not apply, the value of a Share determined by the Board, taking into account any considerations which it determines to be appropriate at the relevant time.

#### **4.4 Option Expiry Date**

The Board will, on the Grant Date, set the option expiry date (the “**Option Expiry Date**”) of each Option granted to a Participant. The Option Expiry Date set under this Section 4.4 will be no later than ten (10) years after the Grant Date, and will be subject to earlier expiry in accordance with Section 4.10 and Section 4.11, and later expiry in accordance with Section 4.7.

#### **4.5 Vesting of Options**

- 4.5.1 Subject to Section 4.5.3, and unless accelerated by the Board under Section 4.5.2 or Section 4.11 or otherwise specified in the relevant Option Agreement, an Option will vest and become exercisable as to 1/3 of the Shares issuable under the Option on each of the following dates:

- 4.5.1.1 the Grant Date;
- 4.5.1.2 the first anniversary of the Grant Date; and
- 4.5.1.3 the second anniversary of the Grant Date.

- 4.5.2 Subject to Section 4.5.3, the Board may, at any time, accelerate the date on which any Option will vest and become exercisable.

- 4.5.3 An Option granted to an Investor Relations Participant will vest over a period of not less than 12 months from the Grant Date, and as to no more than 1/4 of the Shares issuable under the Option in any three-month period.

#### **4.6 Exercise of Options**

- 4.6.1 An Option will be exercisable until 5:00 p.m. (Toronto time) on the Option Expiry Date, but only to the extent that it has vested and has not expired or been terminated.

- 4.6.2 Subject to the provisions of this Plan and the related Option Agreement, an Option may be exercised, in whole or in part, at any time by delivery to the Corporation of a written notice of exercise, substantially in the form to be included with the Option Agreement, specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Exercise Price of the Shares to be purchased. Payment of the Option Exercise Price must be made by cash, bank draft or certified cheque.

#### **4.7 Blackout Periods**

No Option may be exercised during a Blackout Period, if the Participant is then restricted from trading in Shares pursuant to any policy of the Corporation or Applicable Laws. If an Option Expiry Date set under Section 4.4 falls on a date within a Blackout Period or within nine (9) Business Days following the expiration of a Blackout Period, the expiry date for that Option will be automatically extended, without any further act or formality, to that date which is the tenth Business Day after the end of the Blackout Period. This Section 4.7 will not extend any termination or expiry date determined under Section 4.10 or 4.11.

#### 4.8 Amendments to Plan or Options

The Board may amend this Plan or any Option, other than to re-price an Option which shall not be permitted under this Plan, at any time, subject to the requirements of the Exchange (or any other stock exchange or market on which the Shares are listed), including any shareholder approval requirements, provided that if an amendment materially impairs an Option or is materially adverse to its holder, the amendment will not take effect in respect of that Option until the consent of the Participant holding the Option has been obtained.

#### 4.9 Withholding of Tax

4.9.1 The Corporation and any Subsidiary may take reasonable steps for the withholding of any taxes or other source deductions that it is required by Applicable Laws or the requirements of any Governmental Authority to remit in connection with this Plan, any Option or any issuance of Shares upon the exercise of an Option, including:

4.9.1.1 deducting and withholding the amount required to be remitted (the “**Remittance Amount**”) from any cash remuneration or any other amount payable to a Participant, whether or not related to the Plan, the exercise of any Options or the issue of any Shares;

4.9.1.2 permitting the Participant to make a cash payment to the Corporation equal to the Remittance Amount; or

4.9.1.3 selling, or causing a broker engaged by the Corporation to sell, on behalf of any Participant, that number of Shares issued to the Participant pursuant to an exercise of Options, such that the amount received by the Corporation or Subsidiary from the proceeds of the sale will be sufficient to satisfy the obligation to remit the Remittance Amount (and to fund any commissions payable to the broker and other costs and expenses of the transaction).

4.9.2 Any Shares of a Participant that are sold by the Corporation, or by a broker engaged by the Corporation, to fund a Remittance Amount will be sold as soon as practicable, and, if applicable, in transactions effected on the exchange on which the Shares are then listed for trading. In effecting the sale of any Shares, the Corporation or the broker will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Corporation nor the broker will be liable for any loss arising out of any sale of Shares, including any loss relating to the manner or timing of any sale, the prices at which the Shares are sold, or otherwise. In addition, neither the Corporation nor the broker will be liable for any loss arising from a delay in transferring any Shares to a Participant. The sale price of Shares sold on behalf of Participants will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

#### 4.10 Termination of Employment or Service

4.10.1 Unless otherwise determined by the Board under Section 4.11 or otherwise specified in the relevant Option Agreement, if a Participant ceases to be an Eligible Person:

4.10.1.1 any unvested portion of any Option held by that Participant will immediately expire as of the Termination Date; and

4.10.1.2 any vested portion of any Option held by that Participant will expire on the earlier of the Option Expiry Date set by the Board under Section 4.4 (without including any extended expiry terms determined under Section 4.7) and:

- 4.10.1.2.1 in the case of termination of employment by the Corporation or a Subsidiary without cause, or the failure of a Director standing for election to be re-elected, or the failure by the Corporation or a Subsidiary to renew a contract for services at the end of its term, the date which is 90 days after the Termination Date;
- 4.10.1.2.2 in the case of the death of the Participant, the date which is one year after the death;
- 4.10.1.2.3 in the case of the Disability or Retirement of the Participant, the date which is 180 days after the Termination Date; and
- 4.10.1.2.4 in all other cases, the Termination Date,

(the date determined under Sections 4.10.1.2.1 to 4.10.1.2.4, the “**Early Expiry Date**”).

- 4.10.2 Unless otherwise determined by the Board, Options will not be affected by any change of employment or provision of services within or among the Corporation or any Subsidiaries, so long as the Participant continues to be an Eligible Person.
- 4.10.3 The Early Expiry Date will be determined based on the first of the events described in Sections 4.10.1.2.1 to 4.10.1.2.4 to occur.
- 4.10.4 Options granted under this Plan are not part of a Participant’s regular employment or consulting compensation, and no value will be attributed to any Options as part of calculating any Participant’s damages for wrongful dismissal, or any amount due to a Participant with respect to reasonable notice, notice of termination, severance or termination pay, or compensation in lieu of notice.

#### **4.11 Change of Control**

- 4.11.1 Despite any other provision of this Plan or any Option Agreement, in the event of an actual or potential Change of Control Transaction, the Board has the right, in its sole discretion and on the terms it sees fit, without any action or consent required on the part of any Participant, to deal with any Options (or any portion of any Options) in the manner it deems equitable and appropriate in the circumstances, including the right to:
  - 4.11.1.1 determine that any Options (or any portion of any Options) will remain in full force and effect in accordance with their terms after the Change of Control Transaction;
  - 4.11.1.2 cause any Options (or any portion of any Options) to be converted or exchanged for options to acquire shares of another entity involved in the Change of Control Transaction, having the same value and terms and conditions as the Options;
  - 4.11.1.3 accelerate the vesting of any unvested Options;
  - 4.11.1.4 provide Participants with the right to surrender any Options (or any portion of any Options) for an amount per underlying Share equal to the positive difference, if any, between the fair market value of the Share on the date of surrender and the Option Exercise Price; and
  - 4.11.1.5 accelerate the date by which any Options (or any portion of any Options) must be exercised.

4.11.2 The Corporation will use its best efforts to give the affected Participants written notice of any determination made by the Board under Section 4.11.1 at least 14 days before the effective date of the Change of Control Transaction.

#### **4.12 Transferability**

4.12.1 Subject to Section 4.12.2, the Options and all benefits and rights accruing to a Participant in accordance with the terms and conditions of this Plan are not directly or indirectly transferable and cannot be assigned, charged, pledged or hypothecated, or otherwise alienated, by a Participant, whether voluntarily, involuntarily, by operation of law or otherwise.

4.12.2 On a Participant's death, vested Options, benefits and rights may pass by the Participant's will or the laws of descent and distribution to the legal representative of the Participant's estate or any other Person who acquires the Participant's vested Options by bequest or inheritance. No transfer of a vested Option by will or by the laws of descent and distribution will be effective to bind the Corporation until the Corporation has been furnished with any evidence that the Corporation may deem necessary to establish the validity of the transfer and the acceptance by the transferee of the terms and conditions of this Plan and the relevant Option Agreement.

### **ARTICLE 5 MISCELLANEOUS PROVISIONS**

#### **5.1 No Rights as Shareholder**

The holder of an Option will not have any rights as a shareholder of the Corporation with respect to any of the Shares issuable on exercise of that Option until that holder has exercised that Option in accordance with the terms of this Plan and has been issued the Shares.

#### **5.2 No Employment Rights**

Nothing in this Plan or any Option will confer on a Participant any right to continue in the employment or service of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate the Participant's employment or service at any time; nor will anything in this Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment or service of any Participant beyond the date on which the Participant's relationship with the Corporation or any Subsidiary would otherwise be terminated due to Retirement or pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any Subsidiary.

#### **5.3 No Undertaking or Representation**

The Participants, by participating in this Plan, will be deemed to have accepted all risks associated with acquiring Shares pursuant to this Plan. Each Participant acknowledges that the Shares are subject to, and may be required to be held indefinitely under, applicable securities laws. The Corporation and the Subsidiaries make no undertaking, representation, warranty or guarantee as to the future value or price, or as to the listing on any stock exchange or other market, of any Shares issued under this Plan, and will not be liable to any Participant for any loss resulting from that Participant's participation in this Plan or as a result of the amendment, suspension or termination of this Plan or any Option in accordance with its terms.

#### **5.4 Hold Period**

The Options issued under this Plan, and the Shares issuable upon exercise of the Options, may, in certain circumstances be subject to a 4 month hold period, or other resale restriction, commencing on the Grant Date of the Option in accordance with the policies of the Exchange and/or applicable securities laws.

#### **5.5 Notices**

All written notices to be given by a Participant to the Corporation will be delivered personally or by registered mail, postage prepaid, addressed as follows:

Khiron Life Sciences Corp.  
c/o Gowling WLG (Canada) LLP  
1600,100 King Street West  
Toronto, ON M5X 1G5

Attn: Darren Collins

Any notice given by a Participant pursuant to the terms of an Option will not be effective until actually received by the Corporation at the above address.

#### **5.6 Further Assurances**

Each Participant will, when requested to do so by the Corporation, sign and deliver all documents relating to the granting or exercise of Options deemed necessary or desirable by the Corporation. Each Participant will provide the Corporation with all information (including personal information) which is necessary for the administration of this Plan, and each Participant consents to the collection, use and disclosure of information by the Corporation necessary for the administration of this Plan.

#### **5.7 Submission to Jurisdiction**

The Corporation and each Participant irrevocably and unconditionally submits and attorns to the exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity, arising from this Plan and each Option Agreement. To the extent permitted by Applicable Laws, the Corporation and each Participant:

- 5.7.1 irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Plan or any Option Agreement in the courts of that Province, or that the subject matter of this Plan or any Option Agreement may not be enforced in those courts;
- 5.7.2 irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called on to enforce the judgment of the courts referred to in this Section 5.7, of the substantive merits of any suit, action or proceeding; and
- 5.7.3 to the extent the Corporation or any Participant has or may acquire any immunity from the jurisdiction of any court or from any legal process, whether through service or notice, attachment before judgment, attachment in aid of execution, execution or otherwise, with respect to itself or its property, that Person irrevocably waives that immunity in respect of its obligations under this Plan and any Option Agreement.



## SCHEDULE B

### KHIRON LIFE SCIENCES CORP.

#### AMENDED AND RESTATED RESTRICTED SHARE UNIT PLAN

##### ARTICLE I DEFINITIONS AND INTERPRETATION

###### 1.1 Definitions

For purposes of this Plan:

- (a) **“Account”** means an account maintained by the Corporation for each Participant and which will be credited with RSUs in accordance with the terms of this Plan;
- (b) **“Award Date”** means the date or dates on which an award of RSUs is made to a Participant in accordance with Section 4.1;
- (c) **“Award Value”** means, with respect to any RSUs, an amount equal to the number of RSUs, as such number may be adjusted in accordance with the terms of this Plan, multiplied by the Fair Market Value of the Shares;
- (d) **“Black-Out Period”** means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any Participant that holds an RSU;
- (e) **“Board”** means the board of directors of the Corporation as constituted from time to time;
- (f) **“Change of Control”** means:
  - (i) a successful takeover bid; or
  - (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Corporation which results in:
    - (1) a person or group of persons “acting jointly or in concert” (within the meaning of MI 62-104); or
    - (2) an affiliate or associate of such person or group of persons;  
holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Corporation; and
  - (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change cease to constitute a majority of the Board at any time within sixty days of such change;  
or
- (iii) Incumbent Directors no longer constituting a majority of the Board; or
- (iv) the winding up of the Corporation or the sale, lease or transfer of all or substantially all of the assets to any other person or persons (other than pursuant to an internal reorganization

or in circumstances where the business of the Corporation is continued and where the shareholdings or other securityholdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a “Change of Control” if paragraph 1.1(f)(ii) above was applicable to the transaction); or

- (v) any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of this Plan;
- (g) **“Code”** means the U.S. Internal Revenue Code of 1986, as amended;
- (h) **“Committee”** has the meaning ascribed thereto in Section 2.4;
- (i) **“Corporation”** means Khiron Life Sciences Corp., and includes any successor corporation thereof;
- (j) **“Dividend Equivalent”** has the meaning ascribed thereto in Section 4.2;
- (k) **“Dividend Market Value”** means the Fair Market Value per Share on the dividend record date;
- (l) **“Exchange”** means the TSXV or, if the Shares are not then listed and posted for trading on the TSXV, such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (m) **“Expiry Date”** means, with respect to a RSU, December 15<sup>th</sup> of the third year following the year in which the services giving rise to the RSU grant were rendered, or such earlier expiry date as may be determined by the Board, in its sole discretion, and set out in the applicable RSU Agreement;
- (n) **“Fair Market Value”** with respect to a Share, as at any date, means the volume weighted average of the prices at which the Shares traded on the TSXV (or, if the Shares are not then listed and posted for trading on the TSXV or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Shares occurs) for the three (3) trading days on which the Shares traded on the said exchange immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (o) **“Forfeiture Date”** means the date that is the earlier of: (i) the effective date of the Participant’s termination or resignation, as the case may be; and (ii) the date that the Participant ceases to be in the active performance of the usual and customary day-to-day duties of the Participant’s position or job, regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation of being a Participant;
- (p) **“Incumbent Directors”** means any member of the Board who was a member of the Board at the effective date of this Plan and any successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the Board, including a majority of the Incumbent Directors then on the Board, prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control;
- (q) **“Insider”, “associate” and “affiliate”** each have the meaning ascribed thereto in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time;

- (r) **“Khiron Group”** means, collectively, the Corporation, any entity that is a Subsidiary of the Corporation from time to time, and any other entity designated by the Board from time to time as a member of the Khiron Group for the purposes of this Plan (and, for greater certainty, including any successor entity of any of the aforementioned entities);
- (s) **“MI 62-104”** means Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids*, as amended from time to time;
- (t) **“Outside Payment Date”**, in respect of a RSU, means December 31 of the calendar year in which the Expiry Date occurs;
- (u) **“Participant”** means any director, officer, employee or consultant of, or a person or company engaged by, one or more of the entities comprising the Khiron Group to provide services for an initial, renewable or extended period, determined to be eligible to participate in this Plan in accordance with Section 3.1 and, where applicable, a former Participant deemed eligible to continue to participate in this Plan in accordance with Section 4.5;
- (v) **“Plan”** means this Restricted Share Unit Plan;
- (w) **“RSU”** means a unit equivalent in value to a Share credited by means of a bookkeeping entry in the Participants’ Accounts;
- (x) **“RSU Agreement”** has the meaning set forth in Section 3.2;
- (y) **“Security Based Compensation Arrangements”** means any incentive plan of the Corporation (other than this Plan), including the Corporation’s stock option plan, and any incentive options granted by the Corporation outside of this Plan;
- (z) **“Share”** means a common share of the Corporation;
- (aa) **“Subsidiary”** has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (bb) **“Successor”** has the meaning ascribed thereto in Section 5.2;
- (cc) **“takeover bid”** means a “take-over bid” as defined in MI 62-104 pursuant to which the “offeror” would as a result of such takeover bid, if successful, beneficially own, directly or indirectly, in excess of 50% of the outstanding Shares;
- (dd) **“TSXV”** means the TSX Venture Exchange Inc.; and
- (ee) **“U.S. Participant”** means a Participant who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction);
- (ff) **“Vesting Date”** means, with respect to any RSU, the date upon which the Award Value to which the Participant is entitled pursuant to such RSU shall irrevocably vest and become irrevocably payable by the Corporation to the Participant in accordance with the terms hereof.

## 1.2 Interpretation

Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations or other entities, as applicable. The headings in this document are for convenience and reference only and shall not be deemed to alter or affect any provision hereof. The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to this document as a whole and not to any particular Article, Section, paragraph or other part hereof.

## ARTICLE II PURPOSE AND ADMINISTRATION OF THE PLAN

### 2.1 Purpose

The purpose of this Plan is to: (a) aid in attracting, retaining and motivating the officers, employees and other eligible Participants of the Khiron Group in the growth and development of the Khiron Group by providing them with the opportunity through RSUs to acquire an increased proprietary interest in the Corporation; (b) more closely align their interests with those of the Corporation's shareholders; (c) focus such Participants on operating and financial performance and long-term shareholder value; and (d) motivate and reward for their performance and contributions to the Corporation's long-term success.

### 2.2 Administration of the Plan

Subject to Section 2.4, this Plan shall be administered by the Board.

### 2.3 Authority of the Board

The Board shall have the full power to administer this Plan, including, but not limited to, the authority to:

- (a) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;
- (b) adopt, amend, suspend and rescind such rules and regulations for administration of this Plan as the Board may deem necessary in order to comply with the requirements of this Plan, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;
- (c) determine the individuals or companies to whom RSUs may be awarded;
- (d) award such RSUs on such terms and conditions as it determines including, without limitation: the time or times at which RSUs may be awarded; the time or times when each RSU shall vest and the term of each RSU; whether restrictions or limitations are to be imposed on the Shares the Corporation may elect to issue in settlement of all or a portion of the Award Value of vested RSUs and the nature of such restrictions or limitations, if any; any acceleration or waiver of termination or forfeiture regarding any RSU; in each case, based on such factors as the Board may determine appropriate, in its sole discretion;
- (e) take any and all actions permitted by this Plan; and
- (f) make any other determinations and take such other action in connection with the administration of this Plan that it deems necessary or advisable.

### 2.4 Delegation of Authority

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board all or any of the powers conferred on the Board under this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

The Board or the Committee may delegate or sub-delegate to any director or officer of the Corporation the whole or any part of the administration of this Plan and shall determine the scope of such delegation or sub-delegation in its sole discretion.

## 2.5 Discretionary Relief

Notwithstanding any other provision hereof, the Board may, in its sole discretion, waive any condition set out herein if it determines that specific individual circumstances warrant such waiver.

## 2.6 Amendment or Discontinuance of the Plan

- (a) The Board may amend this Plan in any way, or discontinue this Plan altogether, and may amend, in any way, any RSU granted under this Plan at any time without the consent of a Participant, provided that such amendment shall not adversely alter or impair any RSU previously granted under the Plan or any related RSU Agreement, except as otherwise permitted hereunder and further provided that no amendment will cause the Plan or any RSU to cease to comply with paragraph (k) of the definition of “salary deferral arrangement” in subsection 248(1) of the *Income Tax Act* (Canada). In addition, the Board may, by resolution, make any amendment to this Plan or any RSU granted under it (together with any related RSU Agreement) without shareholder approval, provided however, that the Board will not be entitled to amend this Plan or any RSU granted under it without shareholder (disinterested shareholder approval if applicable) and, if applicable, TSXV approval, in order to: (i) increase the maximum number of Shares issuable pursuant to this Plan; (ii) cancel an RSU and subsequently issue to the holder of such RSU a new RSU in replacement thereof; (iii) extend the term of an RSU, but not beyond the Expiry Date; (iv) permit the assignment or transfer of an RSU other than as provided for in this Plan; (v) add to the categories of persons eligible to participate in this Plan; (vi) remove or amend Section 4.4(d), Section 4.4(e) or Section 4.4(f) of this Plan; (vii) remove or amend this Section 2.6(a); or (viii) in any other circumstances where TSXV and shareholder approval is required by the TSXV. Any renewal of this plan will be subject to disinterested shareholder approval, and TSXV approval as applicable.
- (b) Without limitation of Section 2.6(a), the Board may correct any defect or supply any omission or reconcile any inconsistency in this Plan in the manner and to the extent deemed necessary or desirable, may establish, amend, and rescind any rules and regulations relating to this Plan, and may make such determinations as it deems necessary or desirable for the administration of this Plan.
- (c) On termination of this Plan, any outstanding awards of RSUs under this Plan shall immediately vest and the Award Value underlying the RSUs shall be paid to the Participants in accordance with and upon compliance with Section 4.6. This Plan will finally cease to operate for all purposes when (i) the last remaining Participant receives payment in respect of the Award Value underlying all RSUs credited to the Participant’s Account, or (ii) all unvested RSUs expire in accordance with the terms of this Plan and the relevant RSU Agreements.

## 2.7 Final Determination

Any determination or decision by, or opinion of, the Board, the Committee or a director or officer of the Corporation made or held pursuant to the terms set out herein shall be made or held reasonably and shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Corporation, the Participants and their beneficiaries and legal representatives.

Subject to Section 2.5, all rights, entitlements and obligations of Participants under this Plan are set forth in the terms hereof and cannot be modified by any other documents, statements or communications, except by amendment to the terms set out herein referred to in Section 2.6.

## 2.8 Withholding Taxes

When a Participant or other person becomes entitled to receive a payment in respect of any RSUs, the Corporation or a member of the Khiron Group shall have the right to require the Participant or such other person to remit to the Corporation or to a member of the Khiron Group, as the case may be, an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Committee or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

- (a) the tendering by the Participant of a cash payment to the Corporation, or a member of the Khiron Group, as the case may be;
- (b) where the Corporation has elected to issue Shares to the Participant, the withholding by the Corporation or a member of the Khiron Group, as the case may be, from the Shares otherwise deliverable to the Participant such number of Shares as it determines are required to be sold by the Corporation, or a member of the Khiron Group, as the case may be, as agent for and on behalf of the Participant, to satisfy the total withholding tax obligation (net of selling costs, which shall be paid by the Participant). The Participant consents to such sale and grants to the Corporation, or a member of the Khiron Group, as the case may be, an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that neither the Corporation nor any member of the Khiron Group accepts any responsibility for the price obtained on the sale of such Shares; or
- (c) the withholding by the Corporation or a member of the Khiron Group, as the case may be, from any cash payment otherwise due to the Participant;

provided, however, that the sum of any cash so paid or withheld and the Fair Market Value of any Shares so withheld is sufficient to satisfy the total withholding tax obligation. Any reference in this Plan to the Award Value or payment of cash or issuance of Shares in settlement thereof is expressly subject to this Section 2.8.

## **2.9 Taxes**

Participants (or their beneficiaries) shall be responsible for reporting and paying all taxes with respect to any RSUs under the Plan, whether arising as a result of the grant or vesting of RSUs or otherwise. Neither the Corporation nor the Board make any guarantees to any person regarding the tax treatment of an RSU or payments made under the Plan and none of the Corporation or any of its employees or representatives shall have any liability to a Participant with respect thereto. The Corporation will provide each Participant with (or cause each Participant to be provided with) a T4 slip or such information return as may be required by applicable law to report income, if any, arising upon the grant or vesting of rights under this Plan by a Participant for income tax purposes.

## **2.10 Information**

Each Participant shall provide the Corporation with all of the information (including personal information) that it requires in order to administer this Plan.

## **2.11 Account Information**

Information pertaining to the RSUs in Participants' Accounts will be made available to the Participants at least annually in such manner as the Corporation may determine and shall include such matters as the Board or the Committee may determine from time to time or as otherwise may be required by law.

## **2.12 Indemnification**

Each member of the Board or Committee is indemnified and held harmless by the Corporation against any cost or expense (including any sum paid in settlement of a claim with the approval of the Corporation) arising out of any act or omission to act in connection with the terms hereof to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director

or otherwise under the by-laws of the Corporation, any agreement, any vote of shareholders, or disinterested directors, or otherwise.

### **ARTICLE III ELIGIBILITY AND PARTICIPATION IN THE PLAN**

#### **3.1 Participation**

The Board, in its sole discretion, shall determine, or shall delegate to the Committee the authority to determine, which Participants will participate in this Plan.

#### **3.2 RSU Agreement**

A Participant shall confirm acknowledgement of an award of RSUs made to such Participant in such form as determined by the Board from time to time (the “**RSU Agreement**”), within such time period and in such manner as specified by the Board. If acknowledgement of an award of RSUs is not confirmed by a Participant within the time specified, the Corporation reserves the right to revoke the crediting of RSUs to the Participant’s Account.

#### **3.3 Participant’s Agreement to be Bound**

Participation in this Plan by any Participant shall be construed as irrevocable acceptance by the Participant of the terms and conditions set out herein and all rules and procedures adopted hereunder and as amended from time to time.

### **ARTICLE IV TERMS OF THE PLAN**

#### **4.1 Grant of RSUs**

Subject to Section 3.2, an award of RSUs pursuant to this Plan will be made and the number of such RSUs awarded will be credited to each Participant’s Account, effective as of the Award Date. The number of RSUs to be credited to each Participant’s Account shall be determined by the Board, or the Committee delegated by the Board to do so, each in its sole discretion.

#### **4.2 Credits for Dividends**

Following the declaration and payment of dividends on the Shares, the Board may, in its absolute discretion, determine to make a cash payment to a Participant in respect of outstanding RSUs credited to the Participant’s Account (a “**Dividend Equivalent**”). Such Dividend Equivalent, if any, shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs recorded in the Participant’s Account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places. Payment of any such Dividend Equivalent will be made forthwith following any such determination by the Board and in any event within thirty (30) days of such determination.

#### **4.3 Vesting**

The Board or the Committee may, in its sole discretion, determine the time during which RSUs shall vest (except that no RSU, or portion thereof, may vest after the Expiry Date) and whether there shall be any other conditions or performance criteria to vesting. In the absence of any determination by the Board or the Committee to the contrary, RSUs will vest and be payable as to one third (1/3) of the total number of RSUs granted on each of the first, second and third anniversaries of the Award Date (computed in each case to the nearest whole RSU), provided that in all cases payment in satisfaction of a RSU shall occur prior to the Outside Payment Date.

Notwithstanding the foregoing, the Committee may, at its sole discretion at any time or in the RSU Agreement in respect of any RSUs granted, accelerate or provide for the acceleration of vesting in whole or in part of RSUs previously granted. The Award Value of any RSU shall be determined as of the applicable Vesting Date.

#### **4.4 Limits on Issuances**

Notwithstanding any other provision of this Plan:

- (a) the maximum number of Shares issuable pursuant to RSUs under this Plan shall be limited to 11,974,500 Shares, less the number of Shares issuable pursuant to all other Security Based Compensation Arrangements;
- (b) the number of Shares reserved for issuance to Participants retained to provide Investor Relations Activities under all Security Based Compensation Arrangements in any 12 month period shall not exceed 2% of the issued and outstanding Shares;
- (c) the number of Shares reserved for issuance to any one Participant under all Security Based Compensation Arrangements in any 12 month period will not exceed 5% of the issued and outstanding Shares;
- (d) unless the Corporation has received disinterested shareholder approval to do so the number of Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Shares;
- (e) unless the Corporation has received disinterested shareholder approval to do so the number of Shares issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Shares; and
- (f) RSUs may not be awarded to directors of the Corporation who are not officers or employees of the Corporation or another member of the Kheiron Group.

For the purposes of this Section 4.4, any increase in the issued and outstanding Shares (whether as a result of the issue of Shares from treasury in settlement of the Award Value underlying vested RSUs or otherwise) will not increase the number of Shares that may be issued pursuant to this Plan. Shares issued from treasury in settlement of an Award Value underlying vested RSUs will not become available for grant under this Plan.

RSUs (or the Award Value thereof) that are cancelled, surrendered, terminated or that expire prior to the final Vesting Date or in respect of which the Corporation has not elected to issue Shares from treasury in respect thereof shall result in such Shares that were reserved for issuance thereunder being available to be issued, at the election of Corporation, in respect of a subsequent grant of RSUs pursuant to this Plan to the extent of any Shares which have not been issued from treasury in respect of any such RSU.

For purposes of the calculations in this Section 4.5 only, it shall be assumed that all issued and outstanding RSUs will be settled by the issuance of Shares from treasury, notwithstanding the Corporation's right pursuant to Section 4.6 to settle the Award Value underlying vested RSUs in cash or by purchasing Shares on the open market.

In addition to the terms set out herein, the administration and limitations of this Plan will be subject to the provisions of TSXV Policy 4.4 – *Incentive Stock Options*, as applicable.

#### **4.5 RSU Terms**

The term during which a RSU may be outstanding shall, subject to the provisions of this Plan requiring or permitting the acceleration or the extension of the term, be such period as may be determined from time to time by



the Board or the Committee, but subject to the rules of any stock exchange or other regulatory body having jurisdiction (but in no case shall the term of an RSU extend beyond the Expiry Date).

In addition, unless otherwise determined by the Board or the Committee, or unless the Corporation and a Participant agree otherwise in an RSU Agreement or other written agreement (including an employment or consulting agreement), each RSU shall provide that if a Participant shall cease to be a director or officer of or be in the employ of, or a consultant or other Participant to, any of the entities comprising the Khiron Group for any reason whatsoever including, without limitation, retirement, resignation or involuntary termination (with or without cause), as determined by the Board in its sole discretion, before all of the awards respecting RSUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, (i) such Participant shall cease to be a Participant as of the Forfeiture Date, (ii) the former Participant shall forfeit all unvested awards respecting RSUs credited to the Participant's Account effective as at the Forfeiture Date, (iii) any Award Value corresponding to any vested RSUs remaining unpaid as of the Forfeiture Date shall be paid to the former Participant in accordance with Section 4.6, and (iv) the former Participant shall not be entitled to any further payment from this Plan.

Notwithstanding the preceding paragraph or anything else contained in this Plan to the contrary, unless otherwise determined by the Board or the Committee, or unless the Corporation and a Participant agree otherwise in an RSU Agreement or other written agreement (including an employment or consulting agreement), if a Participant shall cease to be a director or officer of or be in the employ of, or a consultant or other Participant to, any of the entities comprising the Khiron Group due to the death of the Participant, any unvested RSUs in the deceased Participant's Account effective as at the time of the Participant's death shall be deemed to have vested immediately prior to the Forfeiture Date with the result that the deceased Participant shall not forfeit any unvested RSUs and the Award Value corresponding to all RSUs credited to such Participant's Account shall be paid to the legal representative of the deceased former Participant's estate in accordance with Section 4.6 after receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant.

Where a Vesting Date occurs on a date when a Participant is subject to a Black-Out Period, such Vesting Date shall be extended to a date which is within (10) ten business days following the end of such Black-Out Period, and further provided that (i) if any such extension would cause the Vesting Date or Vesting Dates to extend beyond the Expiry Date, the amounts to be paid on such Vesting Date or Vesting Dates shall be paid on the Expiry Date notwithstanding the Black-out Period, and (ii) if a Forfeiture Date occurs in respect of a Participant after the original Vesting Date then any unvested RSUs credited to the Participant's Account effective as of the Forfeiture Date that would have vested as of the original Vesting Date but for the Black-Out Period, shall be deemed to have vested immediately prior to the Forfeiture Date, but, subject to subparagraph (i), the Award Value of any such-vested RSUs shall be determined as of the Vesting Date as so extended by the provisions above, and any payment thereof shall be made only after such determination. If the Expiry Date occurs and as a result of the previous sentence of this paragraph the Vesting Date will occur while a Black-Out Period is still in effect, then the Corporation shall pay the Participant the entire Award Value of the vested RSUs in cash (and not Shares) and, for greater certainty, the Corporation shall not have any right to pay the Award Value in whole or in part in Shares notwithstanding any other provision of this Plan or any RSU Agreement.

This Plan does not confer upon a Participant any right with respect to continuation of employment by or service provision to any of the entities comprising the Khiron Group, nor does it interfere in any way with the right of the Participant or any of the entities comprising the Khiron Group to terminate the Participant's employment or service provision at any time.

#### **4.6 Payment in Respect of RSUs**

On the Vesting Date, the Corporation, at its sole and absolute discretion, shall have the option of settling the Award Value payable in respect of an RSU by any of the following methods or by a combination of such methods:

- (a) payment in cash;
- (b) payment in Shares acquired by the Corporation on the Exchange; or
- (c) payment in Shares issued from the treasury of the Corporation.

The Corporation shall not determine whether the payment method shall take the form of cash or Shares until the Vesting Date, or some reasonable time prior thereto. A holder of RSUs shall not have any right to demand, be paid in, or receive Shares in respect of the Award Value underlying any RSU at any time. Notwithstanding any election by the Corporation to settle the Award Value of any vested RSUs, or portion thereof, in Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such vested RSUs shall not have the right, at any time to enforce settlement in the form of Shares of the Corporation.

Any amount payable to a Participant in respect of vested RSUs shall be paid to the Participant as soon as practicable following the Vesting Date and in any event within thirty (30) days of the Vesting Date and prior to the Outside Payment Date (provided that any amount payable with respect to a Vesting Date that occurs after the Forfeiture, but before the RSU has terminated in accordance with an applicable provision of Section 4.6, must occur not later than the Expiry Date).

Where the Corporation elects to pay any amounts pursuant to vested RSUs by issuing Shares, and the determination of the number of Shares to be delivered to a Participant in respect of a particular Vesting Date would result in the issuance of a fractional Share, the number of Shares deliverable on the Vesting Date shall be rounded down to the next whole number of Shares. No certificates representing fractional Shares shall be delivered pursuant to this Plan nor shall any cash amount be paid at any time in lieu of any such fractional interest.

## **ARTICLE V EFFECT OF CORPORATE EVENTS**

### **5.1 Alterations in Shares**

In the event:

- (a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or
- (b) that any rights are granted to all or substantially all shareholders to purchase Shares at prices substantially below Fair Market Value; or
- (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the Shares are converted into or exchangeable for any other securities or property;

then the Board may make such adjustments to this Plan, to any RSUs and to any RSU Agreements outstanding under this Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of amounts to be paid to Participants hereunder.

### **5.2 Merger and Sale, etc.**

Except in the case of a transaction that is a Change of Control and to which Section 5.3 applies, if the Corporation enters into any transaction or series of transactions whereby the Corporation or all or substantially all of the assets would become the property of any other trust, body corporate, partnership or other person (a “**Successor**”), whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, prior to or contemporaneously with the consummation of such transaction the Corporation and the Successor will execute such instruments and do such things as the Board or

the Committee may determine are necessary to establish that upon the consummation of such transaction the Successor will assume the covenants and obligations of the Corporation under this Plan and the RSU Agreements outstanding on consummation of such transaction. Any such Successor shall succeed to, and be substituted for, and may exercise every right and power of the Corporation under this Plan and RSU Agreements with the same effect as though the Successor had been named as the Corporation herein and therein and thereafter, the Corporation shall be relieved of all obligations and covenants under this Plan and such RSU Agreements and the obligation of the Corporation to the Participants in respect of the RSUs shall terminate and be at an end and the Participants shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Shares upon vesting of the RSUs.

### **5.3 Change of Control**

Notwithstanding any other provision in this Plan but subject to any provision to the contrary contained in an RSU Agreement or other written agreement (such as an agreement of employment) between the Corporation and a Participant, if there takes place a Change of Control, all issued and outstanding RSUs shall vest (whether or not then vested) and the Vesting Date shall be the date which is immediately prior to the time such Change of Control takes place, or at such earlier time as may be established by the Board or the Committee, in its absolute discretion, prior to the time such Change of Control takes place.

## **ARTICLE VI GENERAL**

### **6.1 Compliance with Laws**

The Corporation, in its sole discretion, may postpone the issuance or delivery of any Shares that it elects to issue pursuant to any RSU to such date as the Committee may consider appropriate, and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules and regulations, except that in no event may the issuance of such Shares in respect of a RSU occur after the Outside Payment Date. The Corporation shall not be required to qualify for resale pursuant to a prospectus or similar document any Shares that it elects to issue pursuant to the Plan, provided that, if required, the Corporation shall notify the Exchange and any other appropriate regulatory bodies in Canada and the United States of the existence of the Plan and the granting of RSUs hereunder in accordance with any such requirements.

### **6.2 General Restrictions and Assignment**

Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

The rights and obligations hereunder may be assigned by the Corporation to a Successor to the business of the Corporation.

### **6.3 Market Fluctuations**

No amount will be paid to, or in respect of, a Participant under this Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Plan will be unfunded.

The Corporation makes no representations or warranties to Participants with respect to this Plan or the RSUs whatsoever. Participants are expressly advised that the value of any RSUs and Shares under this Plan will fluctuate as the trading price of Shares fluctuates.

In seeking the benefits of participation in this Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Shares and all other risks associated with the holding of RSUs.

#### **6.4 No Shareholder Rights**

Until Shares have actually been issued and delivered should the Corporation elect to so issue Shares in accordance with the terms of the Plan, a Participant to whom RSUs have been granted shall not possess any incidents of ownership of such Shares including, for greater certainty and without limitation, the right to receive dividends, if any, on such Shares and the right to exercise voting rights in respect of such Shares.

#### **6.5 Section 409A**

This Plan, the RSUs and payments made to U.S. Participants pursuant to this Plan are intended to comply with, or qualify for an exemption from, the requirements of Section 409A of the Code and shall be construed consistently therewith and shall be interpreted in a manner consistent with that intention. Terms defined in this Plan shall have the meanings given to such terms under Section 409A of the Code if and to the extent required to comply with Section 409A. Notwithstanding any other provision of this Plan, the Corporation reserves the right, to the extent it deems necessary or advisable, in its sole discretion, to unilaterally amend the Plan to ensure that all RSUs issued to U.S. Participants are awarded in a manner that qualifies for exemption from, or complies with, Section 409A, provided, however, that the Corporation makes no undertaking to preclude Section 409A from applying to an award of RSUs, and the U.S. Participant or his or her estate, as the case may be, is and shall at all times be solely responsible for the payment of all taxes and penalties under Section 409A. The Corporation, its affiliates, directors, officers and agents shall have no liability to a U.S. Participant, or any other party, if an RSU that is intended to be exempt from, or compliant with, Section 409A is not so exempt or compliant, or for any action taken by the Committee.

#### **6.6 Governing Law**

The validity, construction and effect of this Plan and any actions taken or relating to this Plan shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

#### **6.7 Currency**

All amounts paid or values to be determined under this Plan shall be in Canadian dollars.

#### **6.8 Severability**

The invalidity or unenforceability of any provision of this document shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this document.

#### **6.9 Effective Time**

This Plan shall be effective as of May 31, 2019.







