

PEDIAPHARM INC.

NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "**Meeting**") of the shareholders PEDIAPHARM INC. (the "**Corporation**") will be held at:

Place: PWC Canada
Suite 2565, 1250 René-Levesque Blvd. West
Montreal, QC, H3B 4Y1
Date: September 22, 2017
Time: 9:30 a.m. (Montreal time)

The purposes of the Meeting are to:

1. receive and consider the financial statements of the Corporation for the fiscal year ended March 31, 2017 and the auditors' report thereon;
2. elect the directors of the Corporation;
3. appoint the auditors of the Corporation and authorize the directors to fix their remuneration;
4. confirm and approve the Corporation's stock option plan;
5. transact such other matters as may properly be brought before the meeting.

If you are unable to attend the Meeting in person, please date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 prior to 9:30 a.m. on September 20, 2017 or with the Secretary of the Corporation before the commencement of the Meeting or at any adjournment thereof. **A Management Information Circular is attached to the present Notice.**

By Order of the Board of Directors of
PEDIAPHARM INC.

(signed) *Pierre Lapalme*
Pierre Lapalme
Chairman of the Board

Montreal, August 14, 2017

PEDIAPHARM INC.
(the "Corporation")

INFORMATION CIRCULAR

(Containing information as of August 7, 2017, unless indicated otherwise)

SOLICITATION OF PROXIES

This information circular (the "Information Circular") is provided in connection with the solicitation of proxies to be used at the annual and special meeting of shareholders (the "Meeting") of the Corporation to be held at the time and place and for the purposes set forth in the attached Notice of Meeting and at any adjournment thereof. The enclosed proxy is being solicited by the management of the Corporation and the cost of this solicitation will be borne by the Corporation. The solicitation will be conducted primarily by mail but proxies may also be solicited personally by officers, employees or agents of the Corporation, but without additional compensation.

If you cannot attend the Meeting in person, complete and return the enclosed form of proxy in accordance with the instructions contained therein.

REQUIRED QUORUM

The by-laws of the Corporation provide that a quorum is reached at a shareholders' meeting of the Corporation if two (2) or more shareholders representing not less than 5% of the votes that may be casted at the Meeting are present in person or represented by proxy.

APPOINTMENT OF PROXYHOLDER AND RIGHT OF REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are Directors and Officers of the Corporation. **A shareholder has the right to appoint as his or her proxy a person or company, who need not be a shareholder of the Corporation, other than those whose names are printed on the accompanying form of proxy.** A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy, or by completing and signing another proper form of proxy. Securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

A shareholder may revoke a proxy at any time by an instrument in writing executed by him or, if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized in writing, and by sending it at the same address where the form of proxy was sent and within the delays mentioned therein, or two business days preceding the date the Meeting resumes if it is adjourned, or by delivering it to the chairman of such Meeting on the day of the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The management proxy holder undertakes to respect the holder's instructions.

In the absence of any instructions, the proxy holder will exercise the right to vote FOR each resolution on the form of proxy, in the Notice of Meeting or in the Information Circular.

Unless otherwise specified herein, all resolutions will be adopted by a simple majority of the votes represented at the Meeting.

Management does not know and cannot foresee at the present time any amendments or new matters to be brought before the Meeting. If such amendments or new matters were to be brought before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.

NOTICE-AND-ACCESS

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* for the Meeting. The Corporation has decided to deliver the Meeting materials to Beneficial Shareholders (as defined below) by posting the Meeting materials on its website (www.pedia-pharm.com). The Meeting materials, including this Information Circular, will be available on the Corporation's website and will remain there for one full year thereafter. The Meeting materials will also be available on SEDAR at www.sedar.com.

A Beneficial Shareholder may request to receive paper copies of the current meeting materials by mail at no cost by calling Toll Free, within North America - 1-866-962-0498 or direct, from Outside of North America - (514) 982-8716. To ensure you receive the materials in advance of the voting deadline and the Meeting, all requests must be received no later than 10 business days before the Meeting.

AUTHORIZED CAPITAL STOCK, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital stock of the Corporation consists of an unlimited number of common shares (the "Common Shares") without nominal or par value and an unlimited number of preferred shares issuable in series without nominal or par value. As of the date hereof, there were 87,414,986 Common Shares and no preferred shares of the Corporation issued and outstanding. Each Common Share confers upon its holder the right to one vote.

The board of directors of the Corporation (the "Board of Directors" or "Board") fixed the close of business on August 9, 2017 as the record date (the "Record Date") for determining which shareholders shall be entitled to receive Notice of the Meeting and to vote in person or by proxy at the Meeting or any adjournment thereof.

As of the date hereof, to the knowledge of the Board or management of the Corporation, the only persons who beneficially own, control or direct, directly or indirectly, 10% or more of the issued Common Shares of the Corporation are:

Name	Nature of Holding	Number of Common Shares	Percentage of Outstanding Common Shares
Transcan (9346-4626 Quebec Inc.)	Direct	14,705,883	16.8%
Knight Therapeutics Inc.	Direct	11,287,420	12.9%

INFORMATION FOR BENEFICIAL SHAREHOLDERS

Only registered shareholders or holders of a duly designated proxy are eligible to attend and vote at the Meeting.

Shareholders who do not hold their Common Shares in their own name (the "Beneficial Shareholders") are advised that only the proxies of registered shareholders may be recognized and used for a vote at the Meeting. Actual shareholders who fill out and return a proxy shall indicate the name of the person (usually a brokerage house) that holds their Common Shares as the registered shareholder. Each intermediary (broker) has its own mailing procedure and provides for its own return instructions, which should be carefully followed. The proxy provided to Beneficial Shareholders is identical to the one provided to registered shareholders. Nevertheless, its purpose is limited to instructing the registered shareholder on how to vote in the name of the Beneficial Shareholder.

If the Common Shares appear on the account statement supplied to a shareholder by a broker, then, generally speaking, these Common Shares will not be registered in the name of the shareholder in the Corporation's records. It is probable that these Common Shares will be registered in the name of the shareholder's broker or an agent of the broker. In Canada, most of these Common Shares are registered in the name of CDS & Co. (the name of registration of Canadian Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). The voting rights attached to the Common Shares held by brokers or their nominees may not be exercised in favour of or against resolutions except as directed by the shareholder. Without specific instructions, brokers or nominees are prohibited from exercising the voting rights attached to the Common Shares of their customers. The directors and executive officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Brokers and other intermediaries are required to request voting instructions from the Beneficial Shareholders before shareholder meetings. Brokers and other intermediaries have their own specific sending procedures and instructions for returning documents, which must be followed to the letter by the Beneficial Shareholders so that their voting rights can be exercised at the Meeting. In Canada, most brokers now delegate the responsibility of obtaining instructions from their customers to Broadridge Financial Solutions Inc. ("BFSI"). A Beneficial Shareholder who receives a voting instruction form from BFSI may not use this form to vote directly at the Meeting. If you have any questions about exercising your voting rights attached to the Common Shares that you hold through a broker or another intermediary, please contact this broker or other intermediary directly.

Although a Beneficial Shareholder cannot be recognized at the Meeting for the purpose of directly exercising the voting rights attached to the shares registered in the name of its broker (or of an agent of such broker), he/she may attend the Meeting as a proxy of the registered shareholder and exercise the voting rights attached to the Common Shares in connection therewith.

Unless otherwise indicated, in this Information Circular as well as the attached proxy form and Notice of Meeting, "Shareholders" refers to registered shareholders.

PERSONS HAVING AN INTEREST IN CERTAIN MATTERS ON THE AGENDA

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year;
- b) each proposed nominee for election as a director of the Corporation; and
- c) each associate or affiliate of any of the foregoing.

DETAILS OF MATTERS TO BE DEALT WITH AT THE MEETING

A - FINANCIAL STATEMENTS

The management discussion and analysis and the audited financial statements for the year ended March 31, 2017, together with the notes thereto and the auditors' report thereon, will be presented before the Meeting but will not be subject to a vote.

B - ELECTION OF DIRECTORS

Fixing the Number of Directors

At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting or until their successors are elected or appointed be set at six (6).

Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the setting the number of directors to be elected at six (6).

Election of Directors

The By-laws of the Corporation provide that the members of the Board of Directors are elected annually and that each director holds office until the next annual meeting of shareholders or until his successor is duly elected or appointed. Presently, the Corporation has six (6) directors, each of whose term of office shall expire at the termination of the Meeting unless such director is re-elected as a director at the Meeting. All directors other than Pierre Desormeau will stand for re-election at the Meeting.

Management does not foresee that any of the nominees will be unable to serve on the Board of Directors.

The following information regarding the candidates for directors is based on the information provided to the Corporation by the candidates.

Name, city and province of residence	Office held with the Corporation	Director since	Number of Common Shares of the Corporation beneficially owned or over which control is exercised ⁽³⁾	Principal occupation during the last five (5) years
Pierre Lapalme ⁽²⁾ Morin-Heights, Québec, Canada	Chairman of the Board and Director	December 10, 2013	2,563,744	Chairman of the Board of the Corporation since 2009. Director of BioMarin Pharmaceutical Inc. between January 2004 (Chairman of the Board of BioMarin Pharmaceutical Inc. until June 2015) and June 2016. Director of Aeterna Zentaris Inc. between 2009 and May 2016. Director of INSYS Therapeutics, Inc. since 2010. Director and Chairman of the Board of GlyPharma Therapeutic Inc. since 2012.
Sylvain Chrétien Verdun, Québec, Canada	President and Chief Executive Officer and Director	December 10, 2013	8,463,797 ⁽⁴⁾	Founder of the Corporation and President and Chief Executive Officer of the Corporation since January 2008.
Michael P. Mueller ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Director	May 31, 2014	510,333 ⁽⁵⁾	Chairman of the Board of PSP Investments (Public Sector Pension Investment Board) since January 2015 and director since 2006. Director of Mercal Capital Corporation since August 2015. Director of Annidis Corporation between September 2009 and September 2016. Director of Magor Corporation between March 2013 and November 2016.
Normand Chartrand ⁽¹⁾ St-Lambert, Québec, Canada	Director	December 10, 2013	402,325 ⁽⁶⁾	Investment manager, Fonds Québec at La Caisse de dépôt et placement du Québec since July 2016. Prior thereto, Management Consultant with Vector7 Management Consulting Inc. and with Normand Chartrand Consultant from October 2009 to July 2016.
Douglas M. Stuve ⁽²⁾ Calgary, Alberta, Canada	Director	December 10, 2013	175,000	Partner with Burstall Winger Zammit LLP, Barristers & Solicitors since 1993.
Benoit Gravel Laval, Québec, Canada	N/A	Director Nominee	Nil	Healthcare Council Member, Gerson Lehman Group (GLP) since April 2016. Vice-President, Global Portfolio Management & Strategic Development, Sanofi Generics – Zentiva Group Czech Republic between February 2014 to February 2016. Vice-President, Diabetes & Specialized Care Unit, Sanofi Canada Inc. between March 2012 and January 2014.

Notes:

- (1) Member of the Audit Committee of the Corporation.
- (2) Member of the Compensation, Corporate Governance and Nominating Committee of the Corporation.
- (3) The information as to the Common Shares beneficially owned, controlled or directed has been furnished by the respective director nominee individually.
- (4) Of the 8,463,797 Common Shares held by Mr. Chrétien, 5,660,013 are held indirectly through his holding company, Gestion Bioprisma Inc.
- (5) Of the 510,333 Common Shares held by Mr. Mueller, 25,000 are held indirectly through The Michael and Carol Mueller Family Foundation, a foundation controlled by Mr. Mueller.
- (6) Of the 402,325 Common Shares held by Mr. Chartrand, 354,704 are held indirectly through 173036 Canada Inc., a company controlled by Mr. Chartrand.

Other than as set forth below, to the knowledge of the Corporation, none of the above-mentioned candidates:

- (a) is, as at the date of the Information Circular, or has been, within the last ten years before the date hereof, a director, chief executive officer or chief financial officer of any company that:
 - (i) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities

legislation, and which, in all cases, was in effect for a period of more than 30 consecutive days (an "Order"), which Order was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, as at the date of the Information Circular, or has been, within the last ten years before the date hereof, a director or executive officer of any company that, while the proposed director 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, as at the date of the Information Circular, or within the last ten years before the date hereof, 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 his assets.

Between October 2003 and January 2009, Pierre Lapalme was a director of Bioxel Pharma Inc. ("Bioxel"), a company listed on the TSX Venture Exchange ("TSXV") that was the subject of a cease trade order in British Columbia, issued on December 16, 2008, for its failure to complete the filing of its interim financial statements and management discussion and analysis for the financial period ended September 30, 2008. Cease trade orders were subsequently issued in the provinces of Québec, Ontario and Alberta relating to the failure of Bioxel to complete regulatory filings. These cease trade orders were issued subsequent to Bioxel's application for creditor protection, as is further described below.

Mr. Lapalme was a director of Bioxel when it made, on December 12, 2008, an application to the Superior Court of Québec under the *Companies' Creditors Arrangement Act* (Canada). On January 14, 2009, Mr. Lapalme resigned as a director of Bioxel. Bioxel later made an assignment in bankruptcy on April 9, 2009.

To the knowledge of the Corporation, no candidate for election as director has been subject to:

- (a) 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;
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder having to decide to vote for a candidate.

You can vote for the election of all the candidates described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the candidates described above as director of the Corporation.

C - APPOINTMENT OF AUDITORS AND AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS

PricewaterhouseCoopers LLP, Chartered Accountants ("PwC") are the auditors of the Corporation. Management proposes PwC as auditors of the Corporation for the financial year ending March 31, 2018.

In addition, for practical reasons, it is expedient at the Meeting to authorize the Board of Directors to fix the remuneration of the auditors.

The persons named in the accompanying form of proxy will vote FOR the appointment of PwC as auditors of the Corporation to hold office until the next annual meeting of the shareholders of the Corporation and the authorization for the Corporation's directors to fix their remuneration, unless the shareholders signing the proxy has indicated his/her intention to abstain from voting in connection therewith.

D - RATIFICATION AND CONFIRMATION OF THE STOCK OPTION PLAN

The principal terms of the Corporation's Stock Option Plan (the "Plan") are described under the heading "Stock Option Plan" of this Information Circular.

The Plan is a "rolling plan" under which the Corporation may grant options for a maximum of 10% of the issued and outstanding Common Shares of the Corporation at the time of the grant. The number of Common Shares that may be reserved under the Plan automatically increases or decreases as the number of issued and outstanding Common Shares of the Corporation increases or decreases.

Pursuant to the policies of the TSXV, the Plan must be approved annually by the shareholders at the annual meeting of the shareholders.

Consequently, the shareholders will be asked to adopt the following resolution:

"BE IT RESOLVED to ratify and confirm the Stock Option Plan of the Corporation currently in force and to authorize any director or officer of the Corporation to take all necessary actions to give effect to the foregoing."

The persons named in the accompanying proxy form will vote FOR the resolution confirming the Plan unless the shareholder signing the proxy has indicated his/her intention to vote against it.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

A – EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Interpretation

"Named Executive Officer" ("NEO") means:

- (a) a Chief Executive Officer ("CEO");
- (b) a Chief Financial Officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Sylvain Chrétien, President and Chief Executive Officer, Roland Boivin, Chief Financial Officer, Richard Labelle, Vice-President, Sales and Marketing and Benoît Hébert, Vice-President, Business Development and Licensing.

Objectives and Philosophy of the Compensation Program

The Corporation's executive compensation philosophy and program objectives are directed primarily by two guiding principles. First, the program is intended to provide competitive levels of compensation, at expected levels of performance, in order to attract, motivate and retain talented executives. Second, the program is intended to create an alignment of interest between the Corporation's executives and shareholders so that a portion of each executive's compensation is linked to maximizing shareholder value. In support of this philosophy, the executive compensation program is design to reward performance that is directly relevant to the Corporation's short-term and long-term success. The Corporation attempts to provide both short-term and long-term incentive compensation that varies based on overall corporate performance and each NEO's individual performance.

The Corporation's executive compensation program is structured into three main components: base salary, annual incentives (bonuses) and long-term incentives by way of the grant of stock options. The following discussion describes the Corporation's executive compensation program by component of compensation and discusses how each component relates to the Corporation's overall executive compensation objective. In establishing the executive compensation program, the Corporation believes that:

- base salaries provide an immediate cash incentive for the Corporation's NEOs;
- annual incentive bonuses encourage and reward performance over the financial year; and
- grants of stock options ensure that the NEOs are motivated to achieve long-term growth of the Corporation, contribute to increasing shareholder value and provide capital accumulation linked directly to the Corporation's performance.

The Corporation places equal emphasis on base salary, annual incentives (bonuses) and the grant of options. Annual incentives (bonuses) are related to performance and may form a greater or lesser part of the entire compensation package in any given year.

Purpose of the Compensation Program

The Corporation's executive compensation program has been designed to accomplish the following long-term objectives:

- (a) create a proper balance between building shareholder wealth and competitive executive compensation while maintaining good corporate governance;
- (b) produce long-term, positive results for the Corporation's shareholders;
- (c) align executive compensation with corporate performance; and
- (d) provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

Compensation Process

The Corporation does not have a formal written policy with respect to the remuneration of its NEOs. The Board of Directors has delegated to the Compensation, Corporate Governance and Nominating Committee the responsibility of determining on an annual basis for each NEO the amounts of the three main components of the Corporation's executive compensation. In general, the Compensation, Corporate Governance and Nominating Committee meets *in camera* without management present to discuss the compensation of NEOs.

Elements of the Compensation

The base salaries of the NEOs are reviewed annually to ensure that the following factors are considered: the market and economic conditions, the levels of responsibility and accountability of each NEO, the skill and competencies of each individual, retention considerations and the level of demonstrated performance.

Base salaries, including that of the Chief Executive Officer, are reviewed by the Compensation, Corporate Governance and Nominating Committee on the basis of its opinion as to a fair and responsible compensation package, taking into account the contribution to the Corporation's long-term growth and the Compensation, Corporate Governance and Nominating Committee members' knowledge of remuneration practices in Canada without recourse to any particular benchmark group or analysis process.

The Compensation, Corporate Governance and Nominating Committee's philosophy with respect to NEOs' bonuses is to align the grants of bonuses with the performance of the Corporation and the individual performance of each NEO.

The Corporation provides long-term incentive compensation to its NEOs through the Plan. The Compensation, Corporate Governance and Nominating Committee recommends the granting of stock options from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Corporation, its current stage of development, the need to retain or attract particular key personnel, the importance and nature of the position held by the NEO, the number of options already outstanding, the number of options already granted to the NEOs, globally and individually, and overall success of the Corporation and higher returns to its shareholders. As such, the Compensation, Corporate Governance and Nominating Committee is also responsible for making recommendations to the Board of Directors including amendments to the Plan, if needed.

The Compensation, Corporate Governance and Nominating Committee believes that the perquisites for NEOs should be limited in scope and value. For the financial year ended March 31, 2017, the perquisites provided to NEOs in each case were not worth \$50,000 or more and were not worth 10% or more of an NEO's total salary.

The Corporation believes that its compensation program encourages NEOs to align their behaviour with the long-term interests of the Corporation and its shareholders. The Compensation, Corporate Governance and Nominating Committee ensures that the Corporation's compensation program respects applicable laws and seeks, within its means, to monitor possible compensation risk. The monitoring process involves a review of the compensation program based on the nature and mix of performance measures, the weighting of the compensation elements within the pay mix and the goal-setting process.

The Corporation's Insider Trading Policy provides that executives may trade in the Corporation's securities only within predetermined trading periods and may not trade in the Corporation's securities if they are aware of undisclosed material information. Executives are also instructed to obtain the approval of the Corporation before trading in the Corporation's securities in all circumstances. To the knowledge of the Corporation, none of the NEOs or directors has purchased financial instruments, including, prepaid variable contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation or held, directly or indirectly, by the NEO or director.

The Board of Directors can exercise discretion, either to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout. For the financial year ended March 31, 2017, the Board of Directors has not exercised such discretion.

At the present date, the Board of Directors does not have any intention to make significant changes to the Corporation's compensation policies and practices.

Compensation Governance

The Compensation, Corporate Governance and Nominating Committee is composed of Pierre Lapalme, Michael P. Mueller and Douglas M. Stuve. All members are independent within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Mr. Lapalme has been a member of the Board of BioMarin Pharmaceutical Inc. from January 2004, and Chairman between June 2004 and June 2015, until his retirement in June 2016. Throughout his career, Mr. Lapalme has held numerous senior management positions in the pharmaceutical industry, including Chief Executive Officer and Chairman of Rhone Poulenc Pharmaceuticals Inc. in Canada from 1979 to 1990 as well as Senior Vice-President and General Manager of Rhone Poulenc Rorer Inc. (now known as Sanofi) where he oversaw the development of the pharmaceutical business in the United States, Canada, Mexico and Central America. Mr. Lapalme served on the Board of the National Pharmaceutical Counsel in the United States and was a Board member of the Pharmaceutical Manufacturers Association of Canada where he played a leading role in reinstating certain patent protection for pharmaceuticals. Mr. Lapalme was a Board member and Chairman of the Board of Sciele Pharma Inc. from 2000 to 2008 when the company was acquired by Shionogy Inc. Mr. Lapalme is a board member of a private Biotech company and a member of the Board of Insys Therapeutics Inc. which is listed on the Nasdaq. Mr. Lapalme studied at the University of Western Ontario and INSEAD France.

Mr. Mueller is currently the Chairman of PSP Investments (Public Sector Pension Investment Board) and former Chair of its Compensation Committee. Mr. Mueller is also on the boards of Mercal Capital Corporation, Smarter Alloys Inc. and Emily's House. From 2003 to 2005, he was President and Chief Executive Officer of MDS Capital Corporation. Prior to that, Mr. Mueller held a series of senior positions at TD Bank Financial Group, including Senior Vice President and Country Head of its USA Division, Executive Vice President of Global Credit and Vice Chairman and head of Global Investment Banking. Mr. Mueller is a former director of TM BioScience Inc., MDS Capital Corporation, the Canadian Medical Discoveries Funds I and II, the British Columbia Medical Innovations Fund, Medical Discoveries Management Corporation, Health Ventures Inc., the Canadian Venture Capital Association, Annidis Corporation and Magor Corporation.

Mr. Stuve is a partner with the law firm of Burstall Winger Zammit LLP of Calgary, Canada. His principal area of practice is corporate finance and securities law, as well as general corporate commercial law. Mr. Stuve served as a member of the advisory committee in Calgary, Canada to the Canadian Venture Exchange Inc. (the predecessor to the TSXV) to assist in formulating policy prior to and after its formation in November 1999. Mr. Stuve serves as a director of several public companies. He is currently Chair of the Compensation Committee of Pivot Technology Solutions Inc., a public company listed on the TSX.

The Board of Directors considers that members of the Compensation, Corporate Governance and Nominating Committee together have the knowledge, the experience and the right profile in order to fulfill their mandate. All members of the Compensation, Corporate Governance and Nominating Committee have the competencies and experience in compensation policies and practice in decision-making.

The primary role and responsibility of the Compensation, Corporate Governance and Nominating Committee concerns human resources and compensation policies and processes. Among the main responsibilities of the Compensation, Corporate Governance and Nominating Committee is recommending the compensation of the Corporation's executive officers to the Board of Directors.

If the Compensation, Corporate Governance and Nominating Committee determines it necessary, it may investigate and review any human resources or compensation matter relating to the Corporation. The Compensation, Corporate Governance and Nominating Committee may, with approval of the Board of Directors, retain outside experts and engage special legal counsel, if necessary.

No compensation consultant or advisor was retained by the Corporation during the fiscal year ended March 31, 2017.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given or otherwise provided to NEOs of the Corporation for services rendered to the Corporation during the three (3) most recently completed financial years.

Name and principal position	Fiscal Year Ended March 31	Salary (\$)	Share-based awards (\$) ⁽⁴⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans			
Sylvain Chrétien President and Chief Executive Officer ⁽³⁾	2017	235,000	Nil	17,239 ⁽²⁾	74,000	Nil	Nil	Nil	326,239
	2016	235,000	18,500	47,412	55,500	Nil	Nil	Nil	356,412
	2015	235,000	30,000	42,157	30,000	Nil	Nil	Nil	337,157
Roland Boivin ⁽¹⁾ Chief Financial Officer	2017	201,310	Nil	17,239 ⁽²⁾	65,000	Nil	Nil	Nil	283,549
	2016	171,590	8,500	47,412	25,500	Nil	Nil	Nil	253,002
	2015	159,939	Nil	64,857	Nil	Nil	Nil	Nil	224,796
Richard Labelle Vice-President, Sales and Marketing	2017	190,000	Nil	17,239 ⁽²⁾	65,000	Nil	Nil	Nil	272,239
	2016	190,000	15,750	47,412	47,250	Nil	Nil	Nil	300,412
	2015	190,000	11,750	31,348	35,250	Nil	Nil	Nil	268,348
Benoît Hébert Vice-President, Business Development and Licensing	2017	228,000	Nil	17,239 ⁽²⁾	68,500	Nil	Nil	Nil	313,739
	2016	228,000	16,250	47,412	48,750	Nil	Nil	Nil	340,412
	2015	228,000	15,500	31,348	46,500	Nil	Nil	Nil	321,348

Notes:

- (1) Until July 1, 2016, Mr. Boivin's compensation was paid as consultant fees to a company over which he exercises control for his services as Chief Financial Officer of the Corporation. Effective July 1, 2016, Mr. Boivin entered into an employment agreement with the Corporation.
- (2) In determining the fair value of the options-based awards for the year-ended March 31, 2017, the Corporation used the Black-Scholes method, with the following assumptions: (a) risk-free interest rate: 1.67%, (b) forecasted volatility of 62%, (c) dividend yield: 0%, (d) expected life: 6 years. The Black-Scholes method was used because it is one of the most commonly used methods of calculating the value of options. These amounts were earned in the year ended March 31, 2017 and have been issued in the year ended March 31, 2018.
- (3) Mr. Chrétien is not compensated for his role as a director of the Corporation.
- (4) Share-based awards means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (5) The value of perquisites received by each of the NEOs, including property or other personal benefits provided to the NEOs that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the NEO's total salary for the financial year

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table presents for each NEO all awards outstanding at the end of the last completed financial year:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise Price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Sylvain Chrétien	500,000	0.46	January 22, 2024	Nil	n/a	n/a	n/a
	195,000	0.34	July 23, 2025	Nil			
	250,000	0.30	July 25, 2026	Nil			
Roland Boivin	180,000	0.46	January 22, 2024	Nil	n/a	n/a	n/a
	300,000	0.34	July 23, 2025	Nil			
	250,000	0.30	July 25, 2026	Nil			
Richard Labelle	225,000	0.46	February 17, 2024	Nil	n/a	n/a	n/a
	145,000	0.34	July 23, 2025	Nil			
	250,000	0.30	July 25, 2026	Nil			
Benoît Hébert	475,000	0.46	January 22, 2024	Nil	n/a	n/a	n/a
	145,000	0.34	July 23, 2025	Nil			
	250,000	0.30	July 25, 2026	Nil			

Note:

(1) The value of unexercised "in-the-money" options is calculated using the closing price of the Common Shares of the Corporation on the TSXV on March 31, 2017 (\$0.28) less the respective exercise price of the options.

Value Vested or Earned During the Year

The following table presents information concerning the value vested with respect to awards granted to the NEOs during the last completed financial year:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Sylvain Chrétien	Nil	n/a	74,000
Roland Boivin	Nil	n/a	65,000
Richard Labelle	Nil	n/a	65,000
Benoît Hébert	Nil	n/a	68,500

Note:

(1) Calculated based on the difference between the market price of the Common Shares underlying the options at the vesting date and the exercise price of the option on the vesting date.

Pension Plan Benefits

The Corporation does not have a pension plan or other similar plan.

Termination and Change of Control Benefits

Effective July 1, 2016, an employment agreement was entered into with Roland Boivin, the Corporation's Chief Financial Officer (the "Employment Agreement"). The Employment Agreement replaced the terms of a consulting agreement (the "Consulting Agreement") with 9198-4419 Quebec Inc., a corporation controlled by Roland Boivin. Under the Employment Agreement, should the Corporation terminate the employment without cause or be the object of a change of control, the Corporation has agreed to pay a severance payment equal to nine months base salary plus one additional month of base salary for each year of service up to a maximum of 12 months base salary.

The Corporation is also a party to employment agreements with each of Sylvain Chrétien, Richard Labelle and Benoît Hébert. Under the respective employment agreements, should the Corporation terminate any of the employment agreements without cause or be the object of a change of control, the Corporation has agreed to pay (i) a severance payment equal to, in the case of Sylvain Chrétien, 12 months of base salary plus one additional month of base salary for each year of service accomplished after January 30, 2014, up to a maximum of 15 months of base salary, (ii) in the case of Richard Labelle, 9 months of base salary plus one additional month of base salary for each year of service up to a maximum of 12 months of base salary, and (iii) in the case of Benoît Hébert, 12 months of base salary.

In addition to the above severance amounts, the Corporation has agreed to pay Sylvain Chrétien, Richard Labelle, Benoît Hébert and Roland Boivin, 5% of the severance payment to compensate them for loss of employment benefits.

The following table provides the estimated incremental payment (pursuant to the respective employment agreements) to NEOs for termination without cause if such termination occurred on March 31, 2017.

Name	Base Salary (\$)	Bonus (\$)	Benefits (\$)	Stock Options (\$)	Unpaid vacation (\$)	Total Incremental Obligation (\$)
Sylvain Chrétien	293,750	Nil	14,688	Nil	Nil	308,438
Roland Boivin	157,500	Nil	7,875	Nil	Nil	165,375
Richard Labelle	190,000	Nil	9,500	Nil	Nil	199,500
Benoît Hébert	228,000	Nil	11,400	Nil	Nil	239,400

B – DIRECTOR COMPENSATION

Director Compensation Table

The compensation of the directors of the Corporation is established by the Compensation, Corporate Governance and Nominating Committee. The following table presents the awards granted to the directors of the Corporation that are not NEOs during the last completed financial year:

Name	Fees earned (\$) ⁽¹⁾	Share-based awards (\$)	Option based awards ⁽²⁾ (\$)	Non-Equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Pierre Lapalme	20,000	n/a	13,791 ⁽³⁾	Nil	n/a	Nil	33,791

Name	Fees earned (\$) ⁽¹⁾	Share-based awards (\$)	Option based awards ⁽²⁾ (\$)	Non-Equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Pierre Desormeau ⁽⁴⁾	15,000	n/a	Nil	Nil	n/a	Nil	15,000
Normand Chartrand	15,000	n/a	12,067 ⁽³⁾	Nil	n/a	Nil	27,067
Douglas M. Stuve	15,000	n/a	12,067 ⁽³⁾	Nil	n/a	Nil	27,067
Michael P. Mueller	15,000	n/a	12,067 ⁽³⁾	Nil	n/a	Nil	27,067

Notes:

(1) The Corporation paid a director fee of \$15,000 to its directors that are not NEOs for the year ended March 31, 2017 and \$20,000 to the chair of the Board of Directors.

(2) In determining the fair value of the options-based awards, the Corporation used the Black-Scholes method, with the following assumptions: (a) risk-free interest rate: 1.67%, (b) forecasted volatility: 62%, (c) dividend yield: 0%, (d) expected life: 6 years. The Black-Scholes method was used because it is one of the most commonly used methods of calculating the value of options.

(3) These amounts were earned in the year ended March 31, 2017 and have been issued in the year ended March 31, 2018.

(4) Mr. Desormeau will not be standing for re-election as a director at the Meeting.

Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table presents the awards granted to the directors of the Corporation that are not NEOs outstanding as of the end of the last completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise Price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Pierre Lapalme	270,000	0.46	January 22, 2024	Nil	n/a	n/a	n/a
	85,000	0.34	July 23, 2025	Nil			
	175,000	0.30	July 25, 2026	Nil			
Pierre Desormeau ⁽²⁾	180,000	0.46	January 22, 2024	Nil	n/a	n/a	n/a
	75,000	0.34	July 23, 2025	Nil			
	175,000	0.30	July 25, 2026	Nil			
Normand Chartrand	180,000	0.46	January 22, 2024	Nil	n/a	n/a	n/a
	75,000	0.34	July 23, 2025	Nil			
	175,000	0.30	July 25, 2026	Nil			
Douglas M. Stuve	180,000	0.46	January 22, 2024	Nil	n/a	n/a	n/a
	33,333	0.30	March 1, 2022	Nil			
	75,000	0.34		Nil			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise Price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
	175,000	0.30	July 23, 2025 July 25, 2026	Nil			
Michael P. Mueller	180,000 75,000 175,000	0.30 0.34 0.30	September 4, 2024 July 23, 2025 July 25, 2026	Nil Nil Nil	n/a	n/a	n/a

Notes:

(1) The value of unexercised "in-the-money" options is calculated using the closing price of the Common Shares of the Corporation on the TSXV March 31, 2017 (\$0.28) less the respective exercise prices of the options.

(2) Mr. Desormeau will not be standing for re-election as a director at the Meeting.

Value Vested or Earned During the Year

The following table presents information concerning the value vested with respect to awards granted to the directors of the Corporation that are not NEOs during the last completed financial year.

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Pierre Lapalme	Nil	n/a	n/a
Pierre Desormeau ⁽²⁾	Nil	n/a	n/a
Normand Chartrand	Nil	n/a	n/a
Douglas M. Stuve	Nil	n/a	n/a
Michael P. Mueller	Nil	n/a	n/a

Notes:

(1) Calculated based on the difference between the market price of the Common Shares underlying the options at the vesting date and the exercise price of the option on the vesting date.

(2) Mr. Desormeau will not be standing for re-election as a director at the Meeting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance at the end of the last completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	7,096,029	\$0.37	174,881
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	7,096,029	\$0.37	174,881

Note:

(1) The number of Common Shares that may be reserved under the Plan automatically increases or decreases as the number of issued and outstanding Common Shares of the Corporation increases or decreases.

STOCK OPTION PLAN

The objective of the Plan is to permit the directors, executive officers, employees, consultants and persons providing investor relation services to participate in the growth and development of the Corporation through the grant of options to purchase Common Shares.

The principal terms of the Plan are the following:

- 1) the maximum number of Common Shares that may be issued under the Plan will be limited to 10% of the issued and outstanding Common Shares of the Corporation at the time of the grant of the options;
- 2) the number of Common Shares reserved for issuance during a 12 month period cannot exceed the following percentage of issued and outstanding Common Shares of the Corporation, being:
 - (i) 5% in the case of an individual; and
 - (ii) 2% for all persons providing investor relation services;
- 3) the exercise price of the options shall not be less than the closing price of the Common Shares on the TSXV on the last day preceding the grant during which there were transactions;
- 4) the options are non-assignable and have a maximum term of 10 years; and
- 5) the options shall terminate upon the death, retirement, resignation or termination of employment of the beneficiary, the beneficiaries or their heirs sometimes having additional delays (that cannot exceed 12 months) stipulated by the Plan to exercise their options;

INDEBTEDNESS OF EXECUTIVE OFFICERS AND DIRECTORS

During the financial year ended March 31, 2017, and as at the date of this Information Circular, none of the directors, executive officers, employees (or previous directors, executive officers or employees) of the Corporation, each proposed nominee for election as a director of the Corporation and any associate of such a person was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The management of the Corporation is not aware of any material interest, direct or indirect, that any director, proposed director, executive officer, shareholder of the Corporation holding or having control or direction over, directly or indirectly, as beneficial owner, more than 10% of the outstanding Common Shares of the Corporation or any associate or affiliate of any such persons would have in any material transaction concluded since the beginning of the last financial year of the Corporation or in any proposed transaction which had or could have a material effect on the Corporation, other than what is disclosed in this Information Circular.

AUDIT COMMITTEE

Charter and Composition of the Audit Committee

The Audit Committee's charter is attached hereto as Schedule "A". The members of the audit committee of the Corporation are Pierre Desormeau, Normand Chartrand and Michael P. Mueller. Such members are all independent and are all financially literate, as such terms are defined in NI 52-110. The Audit Committee has held four meeting(s) during the year ended March 31, 2017. Mr. Desormeau will not be standing for re-election at the Meeting. It is expected that Mr. Desormeau's position on the audit committee will be filled after the Meeting.

Relevant training and experience

The three members of the Audit Committee of the Corporation have, as a group, the relevant education and mostly a vast experience as directors and officers of public companies in order to perform their responsibilities. All three members are financially literate, meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by the Corporation's financial statements.

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set out below.

Mr. Chartrand, the Chairman of the Audit Committee, is currently Investment Manager, Fonds Québec at La Caisse de dépôt et placement du Québec. From 2009 to July 2016, he was a management consultant with Vector7 Management Consulting Inc. Before that, Mr. Chartrand was Chief Financial Officer of D-Box Technologies Inc. and Kangaroo Media Inc., two companies listed on the Toronto Stock Exchange.

Mr. Mueller is currently the Chairman of PSP Investments (Public Sector Pension Investment Board) and former Chair of its Compensation Committee. Mr. Mueller is also on the boards of Mercal Capital Corporation, Smarter Alloys Inc. and Emily's House. From 2003 to 2005, he was President and Chief Executive Officer of MDS Capital Corporation. Prior to that, Mr. Mueller held a series of senior positions at TD Bank Financial Group, including Senior Vice President and Country Head of its USA Division, Executive Vice President of Global Credit and Vice Chairman and head of Global Investment Banking. Mr. Mueller is a former director of TM BioScience Inc., MDS Capital Corporation, the Canadian Medical Discoveries Funds I and II, the British Columbia Medical Innovations Fund, Medical Discoveries Management Corporation, Health Ventures Inc., the Canadian Venture Capital Association, Annidis Corporation and Magor Corporation.

Mr. Desormeau is currently President and Chief Executive Officer of Capital Pro-Égax Inc., a public company listed on NEX and previously on the TSXV. A trained lawyer, Mr. Desormeau is also President and Chief Executive Officer of Consultants Gaïa inc., a consulting company for small and medium enterprises.

Audit Committee Oversight

At no time during the Corporation's financial year ended March 31, 2017 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time during the Corporation's financial year ended March 31, 2017 has the Corporation relied on the various exemptions provided under NI 52-110. However, the Corporation is relying on the exemption contained in section 6.1 of NI 52-110 and is not required to comply with Parts 3 and 5 of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee's charter.

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two (2) fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees (\$) ⁽¹⁾	Audit-Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$) ⁽⁴⁾
March 31, 2017	48,500	3,000	6,200	6,000
March 31, 2016	47,500	Nil	6,200	6,000

Notes:

(1) *Audit Fees* consist of the aggregate fees billed by the external auditors of the Corporation for audit services.

(2) *Audited Related Fees* consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements of the Corporation and are not reported under "Audit Fees" above and include the provision of comfort letters and consents, consultations concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.

(3) *Tax Fees* consist of the aggregate fees billed for tax compliance, tax advice and tax planning services, including the preparation of tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.

(4) *All Other Fees* include the aggregate fees billed for products and services provided by the auditors, other than the services reported above.

CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer must disclose on an annual basis the corporate governance practices that it has adopted.

Board of Directors

1. Independent Directors

The independent directors of the Corporation are Pierre Lapalme, Pierre Desormeau, Normand Chartrand, Douglas M. Stuve and Michael P. Mueller. Mr. Desormeau will not be standing for re-election at the Meeting.

2. Non Independent Directors

Sylvain Chrétien is considered a non-independent director of the Corporation, as he holds the position of President and Chief Executive Officer of the Corporation.

Directorships

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Pierre Lapalme	INSYS Therapeutics, Inc. (NASDAQ)
Pierre Desormeau	Capital Pro-Égax Inc. (NEX)
Douglas M. Stuve	Border Petroleum Limited (TSXV) Pivot Technology Solutions, Inc. (TSX) Kairos Capital Corporation (TSXV) Anchor Capital Corporation (TSXV)
Michael P. Mueller	PSP Investments (Public Sector Pension Investment Board) Mercial Capital Corp. (TSXV)

Orientation and Continuing Education

The Corporation does not currently have a formal orientation program for new directors. The Board of Directors has not at this time taken any measures to provide continuing education for the directors. However, the directors are invited to follow, at the expense of the Corporation, the various seminars offered by the TSXV and the Canadian securities authorities on the management of public corporations and on the duties of directors of such corporations. Also, the directors have access to the legal counsel of the Corporation for any questions concerning their duties as director.

Ethical Business Conduct

The directors of the Corporation have the obligation to fulfill their duties and assume their functions in the best interest of the Corporation. The Corporation requires that all directors comply with the laws and regulations governing the affairs of the Corporation. Also, the Corporation promotes the integrity and follows an ethical business conduct in the conduct of its affairs. Finally, the Board of Directors requests that all its members actively participate to the meetings of the board and of the committees, as applicable.

The Corporation also requires each director to disclose any potential conflict of interest and will address any such issue on a case-by-case basis.

Nomination of Directors

The candidates to the Board of Directors are chosen by the Board of Directors depending on the needs of the Corporation.

Compensation

All matters with respect to the compensation are determined by the Compensation, Corporate Governance and Nominating Committee. The compensation program is described under the heading "Compensation of Executive Officers and Directors".

Other Board Committees

The only committees of the Board of Directors of the Corporation are the Audit Committee and the Compensation, Corporate Governance and Nominating Committee. The function of the Audit Committee is described under the heading "Audit Committee" and the function of the Compensation, Corporate Governance and Nominating Committee is described under the heading "Compensation of Executive Officers and Directors - Compensation Governance".

Assessment

The Board of Directors regularly reviews its performance and the role of the directors and the members are encouraged to give their comments on the efficiency of the board as a whole.

OTHER AGENDA ITEMS

The Corporation's management is unaware of any change regarding the items listed in the Notice of Meeting or of any other item that could be submitted to the Meeting, apart from those mentioned in the Notice of Meeting. However, if changes concerning the items on the agenda mentioned in the Notice of Meeting, or other items, are submitted to the Meeting in valid form, the attached proxy form confers discretionary power upon the persons named therein to vote, using their best judgment, on the related changes or on other items.

ADDITIONAL INFORMATION

Additional financial information is provided in the financial statements of the Corporation and the annual management report for the financial year ended March 31, 2017 available on SEDAR (www.sedar.com).

Additional copies are also available by contacting the Corporation at:

225 – 1 Place du Commerce
Verdun, Quebec, H3E 1A2
Telephone: (514) 762-2626
Fascimile: (514) 762-2336

The Corporation may request the payment of reasonable fees if the requesting party is not a shareholder of the Corporation.

APPROVAL OF INFORMATION CIRCULAR

The contents and the sending of the Information Circular have been approved by the Directors of the Corporation.

Montreal, August 7, 2017.

By order of the Board of Directors,

(s) Pierre Lapalme

Pierre Lapalme
Chairman

SCHEDULE A

AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees*.

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

1. Assist the Board of Directors of the Corporation (the "**Board**") in its oversight role with respect to:
 - (a) the quality and integrity of financial information;
 - (b) the independent auditor's performance, qualifications and independence;
 - (c) the performance of the Corporation's internal audit function, if applicable;
 - (d) the Corporation's compliance with legal and regulatory requirements; and
2. Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three (3) or more Directors appointed by the Board, the majority of whom shall not be officers or employees of the Corporation or any of the Corporation's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board in its business judgment. The Board shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the Board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation; and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

Financial Reporting

- Review and discuss with management and the independent auditor, as applicable:
 - prior to the annual audit the scope, planning and staffing of the annual audit;
 - the annual audited financial statements;
 - review the financial statements, prospectuses, management's discussion and analysis, annual information form and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information. The Audit Committee will periodically assess the accuracy of those procedures;
 - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation;
 - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards;

- significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements;
 - any significant changes in the Corporation's selection or application of accounting principles;
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies; and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

Other Responsibilities

- Review the appointment of the Chief Financial Officer and key financial executives and formulate clear hiring policies for partners, employees, former partners and former employees of the Corporation's present and former external auditors.
- Establish, and review periodically, as the Audit Committee deems appropriate, a procedure for:
 - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of the Corporation or concerns regarding questionable accounting or auditing matters and resolution of such concerns, if any.
- To comply with the procedure above, the Audit Committee shall ensure that the Corporation advises all employees, by way of a written code of business conduct and ethics, that any employee who reasonably believes that questionable accounting, internal accounting controls, or auditing matters have been employed by the Corporation or their external auditors is strongly encouraged to report such concerns by way of communication directly to the Chair of the Audit Committee of the Corporation.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other

independent advisors as it may, from time to time, deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.