

iCo Therapeutics Inc.

Notice of Annual General Meeting
to be held on June 27, 2019

and

Management Information Circular

May 28, 2019

TABLE OF CONTENTS

| | |
|---|-----------|
| NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS | 1 |
| MANAGEMENT INFORMATION CIRCULAR..... | 2 |
| VOTING AND PROXIES | 2 |
| Persons Making the Solicitation..... | 2 |
| Appointment and Revocation of Proxies | 2 |
| Non-Registered Shareholders..... | 3 |
| Exercise of Discretion | 4 |
| Voting Securities and Principal Holders Thereof..... | 4 |
| BUSINESS OF THE MEETING | 4 |
| Interest of Certain Persons or Companies in Matters to Be Acted Upon..... | 4 |
| Receive the Financial Statements..... | 4 |
| Election of Directors | 5 |
| <i>Advanced Notice Policy</i> | 5 |
| Appointment of Auditor | 7 |
| Additional Information..... | 8 |
| STATEMENT OF EXECUTIVE COMPENSATION..... | 8 |
| Compensation Philosophy and Objectives | 8 |
| Decision Making Process | 8 |
| Assessment of Risks Associated with the Company’s Compensation Policies and Practices | 9 |
| Financial Instruments | 9 |
| Compensation Framework | 9 |
| Employment Agreements, Termination and Change of Control Benefits | 10 |
| Summary of Executive Compensation..... | 11 |
| Compensation of Non-Management Directors..... | 13 |
| Securities Authorized For Issuance under Equity Compensation Plans | 14 |
| OTHER INFORMATION | 14 |
| Indebtedness of Directors and Executive Officers..... | 14 |
| Interest of Informed Persons in Material Transactions | 15 |
| Corporate Governance..... | 15 |
| AUDIT COMMITTEE INFORMATION..... | 15 |
| Audit Committee Charter | 15 |
| Composition of Audit Committee | 15 |
| Relevant Education and Experience..... | 15 |
| Pre-Approval of Audit Services and Permitted Non-Audit Services | 16 |
| External Auditor Service Fees..... | 16 |
| Additional Information..... | 17 |
| Approval of Circular | 17 |

[SCHEDULE A – CORPORATE GOVERNANCE PRACTICES](#)

[SCHEDULE B – AUDIT COMMITTEE CHARTER](#)

iCo THERAPEUTICS INC.
(the “Company”)

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “Meeting”) of the shareholders of iCo Therapeutics Inc. (the “Company”) will be held at the offices of **Blake, Cassels & Graydon LLP**, 595 Burrard Street, Suite 2600, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) on June 27, 2019 for the following purposes:

1. to receive the consolidated financial statements of the Company for the 12-month period ended December 31, 2018 and the report of the auditors thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP as auditors of the Company until the next annual meeting of the Company and to authorize the directors of the Company to fix their remuneration; and
4. to transact such other business as may properly be brought before the Meeting.

Further information regarding the above items is set out in the Circular accompanying this Notice of Annual General Meeting of Shareholders. Only shareholders of record at the close of business on May 23, 2019 are entitled to notice of and to attend and vote at the Meeting or any adjournment or postponement thereof.

Shareholders who are unable to attend the Meeting in person may vote their shares by completing, signing and returning the accompanying form of proxy to the transfer agent of the Company, Computershare Investor Services Inc., no less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or by completing, signing and delivering the accompanying form of proxy to the Chairman of the Meeting prior to its commencement.

Information with respect to voting by non-registered beneficial shareholders is included in the Circular. Non-registered beneficial shareholders should seek instructions on how to vote their shares from their broker, investment dealer, bank, trust company or other intermediary.

DATED at Vancouver, British Columbia this 28th day of May, 2019.

By Order of the Board of Directors

(signed) “*Andrew Rae*”

Andrew Rae

Chief Executive Officer and Director

MANAGEMENT INFORMATION CIRCULAR

iCo THERAPEUTICS INC.
6th – 777 Hornby Street
Vancouver, British Columbia
Canada V6Z 2T3

This management information circular (the “Circular”) is furnished in connection with the annual general meeting of the Company to be held at the offices of **Blake, Cassels & Graydon LLP**, 595 Burrard Street, Suite 2600, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) on June 27, 2019 (the “Meeting”) or at any adjournment or postponement thereof. Shareholders will be voting at the Meeting on the matters described in the accompanying notice of annual general meeting (the “Notice of Meeting”). Unless otherwise specified, the information contained in this Circular is current as of May 28, 2019.

VOTING AND PROXIES

Persons Making the Solicitation

This Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by electronic communication or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation of proxies by management will be borne by the Company.

Appointment and Revocation of Proxies

A form of proxy is enclosed with this Circular. Shareholders who wish to be represented by proxy at the Meeting must deliver their respective forms of proxy (i) to Computershare Investor Services Inc. (the “Transfer Agent”) of 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof or (ii) to the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

The persons named in the accompanying form of proxy are officers of the Company. **Each shareholder submitting a proxy has the right to appoint a person or company to represent the shareholder at the Meeting other than the persons designated in the accompanying form of proxy. A shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy, and in either case depositing the proxy with the Transfer Agent at the place and within the time specified above for the deposit of proxies.** The proxyholder does not need to be a shareholder of the Company.

A shareholder who has given a proxy may revoke such proxy at any time prior to the exercise thereof at the Meeting or any adjournment or postponement thereof. A shareholder may revoke a proxy by:

- depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof;
- depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Transfer Agent at the place specified above for the deposit of proxies at any time up to and including the last business day preceding the Meeting or any adjournment or postponement thereof; or
- any other manner permitted by law.

Non-Registered Shareholders

Only registered shareholders as of May 23, 2019 (the “Record Date”) or their duly appointed proxyholders are permitted to vote at the Meeting. However, a significant number of the Company’s shareholders are “non-registered” shareholders (“Non-Registered Shareholders”) because the shares they own are not registered in their names but, rather, are registered in the name of a clearing agency or the name of the brokerage firm, investment dealer, bank, trust company or other intermediary (the “Intermediary”) through which they deal with the shares they beneficially own.

There are two kinds of Non-Registered Shareholders – those who object to their name being made known to the issuers of securities which they own (called “OBOs” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “NOBOs” for Non-Objecting Beneficial Owners).

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Company has elected to send copies of the proxy-related materials, including the Notice of Meeting, this Circular and the accompanying materials (collectively, the “Meeting Materials”) directly to the Canadian NOBOs and indirectly through Intermediaries for onward distribution to the OBOs and NOBOs in the United States. The Company will also pay the fees and costs of Intermediaries for their services in delivering the Meeting Materials to OBOs in accordance with NI 54-101. Intermediaries must forward the Meeting Materials to each OBO or Non-Registered Shareholders in the United States (unless such shareholder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions), to permit such shareholder to direct the voting of the Shares held by the Intermediary on behalf of such shareholder.

The Meeting Materials are being sent to both registered shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. In most cases, the Intermediary will provide the Non-Registered Shareholder with a voting instruction form which must be completed and signed by the Non-Registered Shareholder in accordance with the directions thereon and then returned to the Intermediary in accordance with the instructions of the Intermediary. In some cases, an Intermediary will send Non-Registered Shareholders a proxy which has already been signed by the Intermediary which specifies the number of shares beneficially owned by the Non-Registered Shareholder but which otherwise is not completed. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete, date and return the form of proxy to the Company or Transfer Agent as provided under the heading “Appointment and Revocation of Proxies”. In all cases, Non-Registered Shareholders should carefully follow the instructions of their respective Intermediaries.

The purpose of these procedures described under the heading “Non-Registered Shareholders” is to permit Non-Registered Shareholders to direct the voting of any common shares they beneficially own. A Non-Registered Shareholder who wishes to attend and vote at the Meeting in person or appoint a person other than the persons designated in the accompanying form of proxy should contact his, her or its Intermediary well in advance of the Meeting and carefully follow the instructions of such Intermediary.

Exercise of Discretion

The representatives designated in the accompanying form of proxy will vote or withhold from voting the shares in respect of which they are appointed proxyholders in accordance with the instructions of the shareholders 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 shares will be voted accordingly. **In the absence of such instructions, the common shares will be voted by the management representatives FOR the matters described herein.**

The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment or postponement thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the accompanying form of proxy to vote such proxy in accordance with their best judgment unless the shareholder has specified to the contrary that the common shares represented thereby are to be withheld from voting with respect to such matters. As of the date this Circular, management of the Company is not aware of any such amendment, variation, or other matter.

Voting Securities and Principal Holders Thereof

As at May 28, 2019, the Company had 109,457,713 common shares outstanding. Each common share confers upon the holder thereof the right to one vote. A shareholder of record at the close of business on the Record Date is entitled to vote or to have his, her or its common shares voted at the Meeting, except to the extent such shareholder transfers the ownership of his, her or its common shares after the Record Date and the transferee of such common shares establishes his, her or its ownership of such common shares and makes a demand to the Company, not later than 10 days before the Meeting, that such transferee's name be included on the shareholders' list for use at the Meeting. On a vote by a show of hands, each person who is a shareholder or proxyholder will have one vote. On a poll, each shareholder present in person or represented by proxy will have one vote for each common share registered in his, her or its name.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all of the issued and outstanding common shares.

BUSINESS OF THE MEETING

Interest of Certain Persons or Companies in Matters to Be Acted Upon

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any 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, the appointment of the auditor and as may otherwise be set out herein.

Receive the Financial Statements

The consolidated financial statements of the Company for the financial year ended December 31, 2018, report of the auditor thereon, and related management discussion and analysis, all of which may be obtained on the Company's profile on SEDAR at www.sedar.com, will be placed before the Meeting.

Election of Directors

Advanced Notice Policy

The Company's advance notice policy was approved by shareholders on June 27, 2018 (the "Advance Notice Policy"). The Advance Notice Policy provides that advance notice be given to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company. In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days prior to the date of the annual meeting. Additionally, the Advance Notice Policy sets forth the information that a shareholder must include in the notice to the Company and establishes the form in which the shareholder must submit the notice for that notice to be in proper written form.

The purpose of the Advance Notice Policy is to ensure that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered and a meeting and can thereby exercise their voting rights in an informed manner.

The foregoing is merely a summary of the Advance Notice Policy, is not comprehensive and is qualified by the full text of such policy which is available under the Company's SEDAR profile at www.sedar.com.

As at the date hereof, the Company has not received notice of a nomination in compliance with the Advance Notice Policy.

Nominees

The term of office for each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting. Each director elected will hold office until the next annual general meeting of the Company or until his successor is duly elected or appointed, unless his office is vacated prior to such meeting in accordance with the Company's constating documents or the laws of the Company's governing jurisdiction.

The following table sets forth certain information with respect to each of the persons proposed to be nominated as directors of the Company, all of whom are presently directors of the Company. Two of the individuals who have been nominated for election as directors of the Company are independent within the meaning of applicable securities laws.

| Name and Residence | Position with the Company | Principal Occupation for Past Five Years | Director Since | Number (%) of Common Shares |
|--|--|--|----------------------------------|-------------------------------------|
| Andrew Rae ⁽¹⁾⁽²⁾⁽³⁾ British Columbia, Canada | Chief Executive Officer, President and Director | President and Chief Executive Officer, iCo Therapeutics Inc., (February 2005 to Present) | February 15, 2005 ⁽⁴⁾ | 5,050,255 ⁽⁴⁾ (4.61%) |
| Susan Kopyy ⁽¹⁾⁽²⁾ Arizona, United States of America | Director | Principal, SL Kopyy Consulting (2009 to present) | December 24, 2015 | Nil |
| William Jarosz ⁽¹⁾⁽²⁾⁽³⁾ New York, United States of America | Director | Partner, Cartesian Capital Group, LLC, a private equity firm (May 2005 to Present) | June 1, 2006 | 703,000 (0.64%) |
| Michael Liggett British Columbia, Canada | Corporate Secretary, Chief Financial Officer and Director | Chief Financial Officer, iCo Therapeutics Inc. (August 2016 to Present) Chief Financial Officer, Hit Technologies Inc. (November 2014 to Present) | January 23, 2017 | Nil |

| Name and Residence | Position with the Company | Principal Occupation for Past Five Years | Director Since | Number (%) of Common Shares |
|--------------------|---------------------------|--|----------------|-----------------------------|
| | | President, OGGE Finance Solutions Corp. (September 2012 to Present) Chief Financial Officer, Welco Lumber Supplies (January 2012 to January 2014) | | |

Notes:

- (1) Current member of the Audit Committee.
- (2) Current member of the Compensation Committee.
- (3) Current member of the Governance and Nomination Committee.
- (4) Including 477,245 common shares held by Mr. Rae's spouse (Ann Rae).

To the knowledge of management, each of the above nominees is able and willing to serve as a director of the Company. However, in the event that one of the nominees named above should become unwilling or unable to serve as a director of the Company prior to the Meeting, it is intended that the discretionary power granted under any proxy which appoints as proxyholder one of the persons names in the accompanying form of proxy will be used to vote for any substitute nominee or nominees whom the Company in its discretion may select.

To the knowledge of management, no proposed director is or, within the 10 years prior to the date hereof, has been, a director, chief executive officer or chief financial officer of any other company that:

- while that person was acting in that capacity was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- after that person ceased acting in that capacity was subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer of the company.

To the knowledge of management, no proposed director is or, within the 10 years prior to the date hereof, has been, a director or executive officer of any 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.

To the knowledge of management, no proposed director has, during the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed director.

Experience

Andrew J. Rae, MBA — Director, President and Chief Executive Officer

Mr. Rae has spent almost two decades in the biotechnology industry, formerly as Chief Financial Officer with Ability Biomedical Corporation (Irvine CA, Vancouver BC), acquired by Medarex, Inc. in 2004. Mr. Rae has also served as Vice President, Finance & Corporate Affairs at Active Pass Pharmaceuticals (Vancouver, BC). In his various roles, Mr. Rae has raised over \$50 million in venture, strategic and capital markets financings, engaged in a successful cross-border M&A transaction, and played a significant role in shaping multiple business development deals (Cambridge Antibody, Isis Pharmaceuticals, Medarex, Immune Pharmaceuticals, JDRF). Prior to his

operational experiences, Mr. Rae served as Biotechnology Equities Analyst, Goepel Shields & Partners (now Raymond James Canada), covering Canadian biotechnology stocks including Angiotech Pharmaceuticals, QLT Inc. and ID Biomedical. Mr. Rae previously sat on the Dean's External Advisory Board for the Faculty of Business Administration at Simon Fraser University. In 2009 Andrew was Pacific Finalist, Ernst & Young Entrepreneur of the Year (Canada). Mr. Rae's degrees include a B.Sc. from the University of Western Ontario and an MBA from Simon Fraser University.

William Jarosz, JD — Chairman and Director

William Jarosz is a founder and Senior Advisor at Cartesian Capital Group, LLC, a global investment management firm. From 1997 until 2005, Mr. Jarosz served as Managing Director and General Counsel of AIG Capital Partners, a subsidiary of American International Group, Inc., and as Managing Director of the AIG-Brunswick Millennium Fund. While at AIG Capital Partners, Mr. Jarosz oversaw global private equity transactions for the firm's various private equity funds. Prior to joining AIG in 1997, Mr. Jarosz practiced law at Debevoise & Plimpton, specializing in international private equity investment and Russian corporate and securities laws. Mr. Jarosz also served as a consultant to the World Bank on the regulation of Foreign Direct Investment in emerging markets. Mr. Jarosz is a graduate of the University of Montana and received an MA in Law and Diplomacy from the Fletcher School at Tufts University and a JD from Harvard Law School.

Susan Kopy, — Director

Ms. Kopy has more than 30 years of experience in marketing and business development in the bio-pharmaceutical industry in the U.S., Europe, and Japan. She has participated in the negotiation of numerous agreements with a multi-billion-dollar aggregate commercial value and is a frequent speaker on business development issues in the industry. After 15 years working through progressive positions of responsibility in life sciences, Ms. Kopy joined Novartis Pharmaceuticals AG in Basel Switzerland in 2000 where she became the first woman on the global marketing management team. Between 2005 and 2008 she built and led strategy, business development and acquisition groups for Applied Biosystems, Inc., Idenix Pharmaceuticals and Transcept Pharmaceuticals where she successfully sourced and executed a major U.S. partnership with Purdue Pharmaceuticals. Ms. Kopy now consults with a variety of bio-pharmaceutical companies on business development strategy, search, and transactions in a broad variety of therapeutic areas both in- and out-licensing. She is a member of the National Association for Corporate Directors, Healthcare Businesswomen's Association, and Licensing Executive Society.

Michael Liggett, CPA, CA, Bsc Pharm. — Corporate Secretary and Director

Michael Liggett has over 18 years of financial experience in public companies, completing over \$300 million in equity and debt financing and approximately \$200 million in merger and acquisition transactions. Recently, Mr. Liggett has provided Chief Financial Officer and accounting services to numerous public and private companies. Previously, Mr. Liggett acted as Chief Financial Officer of Eacom Timber Corporation ("Eacom"), a start-up softwood lumber company listed on the TSX Venture Exchange. Prior to Eacom, Mr. Liggett acted as the Chief Financial Officer of Inflazyme Pharmaceuticals Ltd. ("Inflazyme"), an early stage company focused on research and development for new drugs in inflammation. At Inflazyme, Mr. Liggett structured the largest life sciences strategic partnership in Canada at that time and completed over \$100 million in private placements and secondary offerings and listed the company on the Toronto Stock Exchange. Mr. Liggett is a Chartered Professional Accountant and worked for PWC prior to joining Inflazyme.

Appointment of Auditor

Management of the Company proposes to nominate PricewaterhouseCoopers LLP, Chartered Accountants ("PWC") as auditor of the Company to hold office until the next annual meeting of shareholders, at remuneration to be fixed by the board of directors. PWC has acted as auditor of the Company since its appointment on March 2, 2008.

Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of PWC as auditor of the Company, to hold office until the next annual meeting of shareholders, at remuneration to be fixed by the board of directors. The board of directors recommends that shareholders vote in favour of the appointment of PWC as auditors of the Company.

Additional Information

Management of the Company is not aware of any matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy unless the shareholder has specified to the contrary that the common shares represented thereby are to be withheld from voting with respect to such matters.

STATEMENT OF EXECUTIVE COMPENSATION

The following discussion and analysis covers the compensation paid to the individuals who served as Chief Executive Officer and Chief Financial Officer of the Company during the financial year ended December 31, 2018 and the most highly compensated individual who was an executive officer of the Company at the end of the financial year ended December 31, 2018 and whose total compensation exceeded \$150,000 (each such person, a “Named Executive Officer”).

Compensation Philosophy and Objectives

The Company’s executive compensation program is designed to retain key executive consultants in both the short and long term, incentivise both individual and corporate performance and align interests of executives with other corporate stakeholders such as shareholders and corporate partners. Compensation decisions are intended to be transparent, and the Company’s compensation practices are intended to be simple in design. Given the Company’s size, resources and business model, the Company primarily uses three elements of compensation for its Named Executive Officers: daily consulting fee, annual incentive pay (bonus) and long-term equity compensation (options). In establishing the framework for the Company’s compensation practices, the Company takes into account the inherent uncertainties of its business and the fact that the success of the Company is influenced by a number of risk factors, many of the most important of which are outside the Company’s control.

The Company strongly encourages its executive officers to maintain equity ownership in the Company, both through direct shareholdings and derivative holdings such as options. As at December 31, 2018, management and directors owned or exercised control or direction over 5,753,255 common shares, representing 6.81% of the Company’s issued and outstanding common shares. The Company does not provide any financial assistance to Named Executive Officers to purchase equity in the Company.

Decision Making Process

The Compensation Committee of the board of directors oversees and provides strategic direction to management regarding the Company’s compensation policies and general human resources policies. In addition to that mandate of broad oversight and direction, the Compensation Committee is tasked with implementing programs to attract, retain and develop management of the highest calibre. Additional information relating to the mandate of the Compensation Committee is included in the summary of corporate governance practices attached as Schedule “A”. The Compensation Committee makes recommendations to the board of directors with respect to the annual salary, bonus and other benefits of the Chief Executive Officer and approves the compensation for all other Named Executive Officers taking into consideration the recommendations of the Chief Executive Officer. The company believes that its review process provides an effective ongoing evaluation of its executive compensation program relative to industry practice and allows for appropriate and timely adjustments to the program.

The members of the Compensation Committee are Susan Kopyy, William Jarosz and Andrew Rae. Ms. Kopyy and Mr. Jarosz are independent directors. Mr. Rae is not independent as he is the Chief Executive Officer of the Company. While serving on the Compensation Committee, Mr. Rae abstains from any discussions regarding his compensation as Chief Executive Officer of the Company.

For a description of the experience of the members of the Compensation Committee relevant to their responsibilities on the Compensation Committee, see “Election of Directors – Experience” above.

Assessment of Risks Associated with the Company’s Compensation Policies and Practices

The Compensation Committee has assessed the Corporation’s compensation plans and programs for its executive officers to ensure alignment with the Corporation’s business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Financial Instruments

The Company has not adopted a policy restricting its Named Executive Officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its Named Executive Officers or directors. To the knowledge of the Company, none of the Named Executive Officers or directors has purchased such financial instruments.

Compensation Framework

The Compensation Committee considers all elements of compensation as a whole rather than any one element in isolation. In evaluating executive compensation, the Company considers a broad range of factors, including individual performance and corporate results. Other factors taken into account in establishing compensation include market competitiveness and internal equity. The relative balance of those factors will likely differ from year to year. The Committee also examines the competitive positioning of total compensation, the ratio of current to long-term compensation and the amount of fixed and variable compensation. The Compensation Committee is tasked with ensuring that the Company’s compensation practices are affordable as an element of the Company’s overall cost of doing business, while rewarding performance and creating incentives to achieve long-term success. For details regarding compensation of each Named Executive Officer, refer to “Summary of Executive Compensation” below.

Daily Consulting Fee

The daily consulting fee is a key component of compensation, both on its own and because annual incentive awards are based on percentages of the daily consulting fee. Fees for executive officers are determined by evaluating the responsibilities of each executive’s position, as well as the experience and knowledge of the individual, with a view to internal equity and the competitive marketplace. The Compensation Committee balances the desire to set the daily consulting fee at a level competitive enough to attract highly qualified executive officers against the desire to ensure that performance remains a key factor in determining total compensation of the Company’s management team. In determining the base salaries of the Named Executive Officers, the Compensation Committee reviews and considers compensation information from a number of publicly available sources relevant to the biotechnology and life sciences sector as well as external market surveys when available. In setting the salary of the Named Executive Officers (other than the Chief Executive Officer), the Compensation Committee also relies to a large extent on the Chief Executive Officer’s recommendation and evaluation of each Named Executive Officer’s performance.

For all employees, including Named Executive Officers (other than the Chief Executive Officer), salary adjustments are considered by the Compensation Committee in the first quarter of the Company’s fiscal year and implemented

at the time of approval by the board of directors. Annual adjustments to daily consulting fee are not guaranteed and any adjustment includes consideration for individual performance, internal equity and market conditions.

Annual Bonus

The Compensation Committee has established an annual bonus program to drive performance and the achievement of corporate goals. The bonus program rewards short term results and performance, all of which are linked to the Company's long-term objectives. All Named Executive Officers, as well as other employees of the Company, are eligible to receive a bonus. The award and amount of any bonus are not pre-determined under any policy and are at the sole discretion of the Compensation Committee, which in turn provides a recommendation to the board of directors for approval. A decision to award a bonus is based on the responsibility and accountability of the individual and the role within the organization, performance of the individual, performance of the Company in reaching certain corporate goals for any given year and a number of other factors, both internal and external.

Incentive Programs – Stock Options

The Company's Stock Option Plan is available to all employees, including the Named Executive Officers, and consultants to the Company. As options have increased value to the holder if the market value of the stock appreciates over time, the objective of the program is to tie the interests of employees directly to the interests of the shareholders. In that regard, the Stock Option Plan is intended to serve as a long-term retention and incentive tool. The exercise price, terms, vesting and conditions of any options granted are established by the board of directors and subject to the rules of the regulatory authorities having jurisdiction over the securities of the Company. The options granted may be exercised during a period not exceeding five years. The options are non-transferable.

Awards of options for all employees, including Named Executive Officers, are approved by the board of directors upon the recommendation of the Compensation Committee. The determination of an award, as well as the amount of the any award, is at the sole discretion of the board of directors. In deciding to grant options, the board of directors takes previous option grants into consideration. There are no performance or other conditions related to the vesting of the options, other than continued employment with the Company.

Employment Agreements, Termination and Change of Control Benefits

As of December 31, 2018, the Company was a party to consulting agreements with each of the Named Executive Officers. Each such agreement (collectively, the "Agreements") contains covenants in the Company's favour, including a non-competition covenant, a loyalty covenant, a non-solicitation of clients and employees covenant and confidentiality and non-disclosure obligations. Under the Agreements, all confidential information and intellectual property that is invented, conceived or originated by the Named Executive Officer is the Company's property. Each Named Executive Officer may be terminated by the Company immediately for cause or with six months written notice or payment.

Under the Agreements, the Named Executive Officers are currently eligible to receive the following amounts per annum:

| Name | Annual Daily Consulting Fee |
|-----------------|------------------------------------|
| Andrew Rae | \$1,400 per day |
| Michael Liggett | \$800 per day |

Summary of Executive Compensation

Total Compensation

The following table provides a summary of the compensation earned in respect of the Company's completed financial years for 2016, 2017 and 2018 by the Named Executive Officers who were serving as executive officers of the Company on December 31, 2018.

| Name & Principal Position | Year | Salary/Fees ⁽⁴⁾ (\$) | Share-Based Awards (\$) | Option-Based Awards ⁽²⁾ (\$) | Non-Equity Incentive Plan Compensation (\$) | | Pension Value (\$) | All Other Compensation ⁽³⁾ (\$) | Total Compensation (\$) |
|--|------|------------------------------------|----------------------------|--|--|---------------------------|-----------------------|---|----------------------------|
| | | | | | Annual Incentive Plans | Long-Term Incentive Plans | | | |
| Andrew Rae Chief Executive Officer ⁽¹⁾ | 2018 | 205,100 | N/A | Nil | N/A | N/A | N/A | Nil | 205,100 |
| | 2017 | 195,300 | N/A | Nil | N/A | N/A | N/A | Nil | 195,300 |
| | 2016 | 157,833 | N/A | 5,100 | N/A | N/A | N/A | 151,667 | 314,600 |
| Michael Liggett, Chief Financial Officer ⁽⁵⁾ | 2018 | 50,350 | N/A | Nil | N/A | N/A | N/A | N/A | 50,350 |
| | 2017 | 51,625 | N/A | 6,600 | N/A | N/A | N/A | N/A | 58,225 |
| | 2016 | 19,720 | N/A | N/A | N/A | N/A | N/A | N/A | 19,720 |

Notes:

- (1) Although Andrew Rae also serves as a director of the Company, he did not receive any compensation for his duties as a director or for attendance at board or committee meetings.
- (2) The fair value of the option based awards is estimated as at the date of the option grant using the Black-Scholes option pricing model.
- (3) For 2016, amounts relate to termination payments.
- (4) For 2016, amounts include salaries and consulting fees. All employee agreements were terminated on January 15, 2016 and each Named Executive Officer was retained under a consulting agreement.

Incentive Plan Awards – Outstanding Option-Based Awards – Named Executive Officers

The following table provides a summary of all option-based and share-based awards to the Named Executive Officers outstanding at the end of the Company's financial year ended December 31, 2018.

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|---|---|----------------------------|------------------------|--|--|--|---|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of total unexercised in-the-money option ⁽¹⁾ (\$) | Number of shares of units that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) | Market or payout value of vested share-based rewards not paid out or distributed (\$) |
| Andrew Rae, Chief Executive Officer | 150,000 | 0.05 | Feb 16, 2021 | Nil | N/A | N/A | N/A |
| Michael Liggett, Chief Financial Officer ⁽²⁾ | 150,000 | 0.05 | January 23, 2022 | N/A | N/A | N/A | N/A |

Note:

- (1) The value of unexercised in-the-money options is determined by calculating the intrinsic value of each option (market price less exercise price). The closing price of the common shares on the TSX Venture Exchange on December 31, 2018, the last trading day of the Company's fiscal year was \$0.050.

Incentive Plan Awards – Value Vested or Earned During the Year – Named Executive Officers

The following table sets forth, for each Named Executive Officer, the value vested for all outstanding option-based and share-based awards and the value earned for all non-equity incentive plan compensation during the twelve month period ended December 31, 2018.

| 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 (\$) |
|---|--|--|--|
| Andrew Rae, Chief Executive Officer | Nil | N/A | N/A |
| Michael Liggett, Chief Financial Officer ⁽²⁾ | Nil | N/A | N/A |

Note:

- (1) Represents the intrinsic value, if any, of each option vested during the year (market price on the vesting date less exercise price).

Long Term Incentive Plans

The Company does not have a long-term incentive plan pursuant to which compensation was paid or distributed to the Named Executive Officers during the financial period ended December 31, 2018. A “long term incentive plan” means a plan providing compensation intended to motivate performance over a period greater than one financial year other than option plans, stock appreciation rights or restricted share compensation.

The Company has not granted any stock appreciation rights either during or prior to the year ended December 31, 2018.

Pension Plan Benefits

The Company does not provide any form of pension plan or other retirement benefit to the Named Executive Officers.

Compensation of Non-Management Directors

Total Compensation

It is the Company's policy to provide compensation to independent directors for their role in overseeing the strategic direction of the Company, participating in various meetings (both the board as a whole and at various committee levels) and otherwise providing advice, governance and industry perspective to the Company and its management. Directors who are also Named Executive Officers do not receive additional compensation beyond what is provided for in their employment contracts. The Company pays directors primarily in two forms: a fixed quarterly fee payable in cash and through the grant of stock options. The Company only rewards directors for their role as directors and does not provide compensation to directors for their role in various committees.

The following table provides a summary of the compensation earned in respect of the Company's financial year ended December 31, 2018 by the non-management members of the Company's board of directors:

| Name | Fees earned ⁽¹⁾ (\$) | Share-based awards (\$) | Option-based awards ⁽³⁾ (\$) | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|-------------------------------|------------------------------------|----------------------------|--|--|-----------------------|--------------------------------|---------------|
| William Jarosz ⁽²⁾ | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Susan Kopyy | 51,535 | Nil | Nil | Nil | Nil | Nil | 51,535 |

Notes:

- (1) Directors were reimbursed for their out-of-pocket expenses to attend meetings.
- (2) The fair value of the option-based awards is estimated as at the date of the option grant using the Black-Scholes option pricing model.
- (3) Andrew Rae and Michael Liggett's compensation for their roles as directors are included above under "Summary of Executive Compensation".
- (4) Susan Kopyy's compensation included compensation for her role as director and a consulting fee for business development services she provided to the Company.

Incentive Plan Awards - Outstanding Option Based Awards – Non-Management Directors

The following table provides a summary of all option-based and share-based awards outstanding to non-management directors as at the end of the Company's financial year ended December 31, 2018:

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|----------------|---|-------------------------------|------------------------|---|---|---|---|
| | Number of securities underlying unexercised options | Option exercise price (\$) | Option expiration date | Value of total unexercised in-the-money option ⁽¹⁾ (\$) | Number of shares or units 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 (\$) |
| William Jarosz | 200,000 | 0.05 | Feb 16, 2021 | Nil | N/A | N/A | N/A |
| Susan Kopyy | 100,000 | 0.05 | Feb 16, 2021 | Nil | N/A | N/A | N/A |

Notes:

- (1) The value of unexercised in-the-money options is determined by calculating the intrinsic value of each option (market price less exercise price). The closing price of the common shares on the TSX Venture Exchange on December 31, 2018, was \$0.050, the last trading day of the Company's fiscal year.

Incentive Plan Awards – Value Vested or Earned During the Year – Non-Management Directors

The following table sets forth, for each non-management director, the value vested for all outstanding option-based and share-based awards and the value earned for all non-equity incentive plan compensation during the twelve-month period ended December 31, 2018.

| 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 (\$) |
|----------------------------|--|---|---|
| William Jarosz | Nil | N/A | N/A |
| Susan Koppy ⁽²⁾ | Nil | N/A | N/A |

Note:

- (1) Represents the intrinsic value, if any, of each option vested during the year (market price on the vesting date less exercise price).

Securities Authorized For Issuance under Equity Compensation Plans

Stock Option Plan

As of the date hereof, the Company has 3,710,357 common shares reserved for issuance under the Stock Option Plan, representing 3.39% of the currently issued and outstanding common shares of the Company. As of the date hereof, options exercisable for 975,000 common shares are outstanding, representing 0.9% of the currently issued and outstanding common shares of the Company.

The following table sets forth information with respect to the number of options granted pursuant to the Stock Option Plan as at December 31, 2018. No options have been granted under stock option plans which have not been approved by the Company's shareholders.

| Plan Category | Number of common shares to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) |
|---|--|--|---|
| Equity compensation plans approved by security holders | 975,000 | \$0.05 | 2,735,357 |
| Equity compensation plans not approved by security holders | N/A | N/A | N/A |
| Total | 975,000 | \$0.05 | 2,735,357 |

OTHER INFORMATION

Indebtedness of Directors and Executive Officers

No director or executive officer and no former or proposed director or executive officer of the Company or any of their associates is, or at any time since the beginning of the most recently completed financial year, has been,

indebted to the Company or indebted to another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

Interest of Informed Persons in Material Transactions

Other than as set forth herein, no person who has been a director or executive officer of the Company at any time since the commencement of the Company's most recently completed financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing, nor any informed person (as defined in applicable securities legislation) has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Corporate Governance

The discussion of the Company's governance practices required by National Instrument 58-101 – Disclosure of Corporate Governance Practices is attached to this Circular as Schedule "A".

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The primary function of the Audit Committee is to assist the board of directors of the Company in fulfilling its oversight responsibilities with respect to the quality and integrity of the consolidated financial statements of the Company; appointing and overseeing the external auditors and reviewing the qualifications and independence of the external auditors; reviewing the performance of the external auditors; ensuring compliance by the Company with all legal and regulatory requirements for audit and related financial functions of the Company; reviewing financial information contained in public filings of the Company; reviewing earnings announcements of the Company prior to release to the public; monitoring the Company's systems of and compliance with internal financial controls; reviewing the Company's auditing, accounting and financial reporting processes; and dealing with all complaints regarding accounting, internal accounting controls and auditing matters. The Audit Committee Mandate is attached as Schedule "B".

Composition of Audit Committee

The Audit Committee consists of Ms. Susan Kopyy, Mr. Andrew Rae and Mr. William Jarosz. Mr. Jarosz, who chairs the Audit Committee, and Ms. Kopyy are each non-employee members of our board of directors. Our board of directors has determined that Ms. Kopyy and Mr. Jarosz are "independent" as such term is defined in National Instrument 52-110 – Audit Committees ("NI 52-110"). In addition, our board of directors has determined that each member of the Audit Committee is "financially literate" under NI 52-110.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee member is described below:

Susan Kopyy, — Director

Ms. Kopyy has more than 30 years of experience in marketing and business development in the bio-pharmaceutical industry in the U.S., Europe, and Japan. She has participated in the negotiation of numerous agreements with a multi-billion dollar aggregate commercial value and is a frequent speaker on business development issues in the industry. After 15 years working through progressive positions of responsibility in life sciences, Ms. Kopyy joined Novartis Pharmaceuticals AG in Basel Switzerland in 2000 where she became the first woman on the global marketing management team. Between 2005 and 2008 she built and led strategy, business development and

acquisition groups for Applied Biosystems, Inc., Idenix Pharmaceuticals and Transcept Pharmaceuticals where she successfully sourced and executed a major U.S. partnership with Purdue Pharmaceuticals. Ms. Kopyy now consults with a variety of bio-pharmaceutical companies on business development strategy, search, and transactions in a broad variety of therapeutic areas both in- and out-licensing. She is a member of the National Association for Corporate Directors, Healthcare Businesswomen's Association, and Licensing Executive Society.

William Jarosz

William Jarosz is a founder and Senior Advisor at Cartesian Capital Group, LLC, a global investment management firm. From 1997 until 2005, Mr. Jarosz served as Managing Director and General Counsel of AIG Capital Partners, a subsidiary of American International Group, Inc., and as Managing Director of the AIG-Brunswick Millennium Fund. While at AIG Capital Partners, Mr. Jarosz oversaw global private equity transactions for the firm's various private equity funds. Prior to joining AIG in 1997, Mr. Jarosz practiced law at Debevoise & Plimpton, specializing in international private equity investment and Russian corporate and securities laws. Mr. Jarosz also served as a consultant to the World Bank on the regulation of Foreign Direct Investment in emerging markets. Mr. Jarosz is a graduate of the University of Montana, and received an MA in Law and Diplomacy from the Fletcher School at Tufts University and a JD from Harvard Law School.

Andrew Rae

Andrew Rae is the Chief Executive Officer and President of the Company on a full-time basis. Mr. Rae has spent almost two decades in the biotechnology industry, formerly as CFO with Ability Biomedical Corporation (Irvine CA, Vancouver BC), acquired by Medarex, Inc. in 2004. Mr. Rae has also served as Vice President, Finance & Corporate Affairs at Active Pass Pharmaceuticals (Vancouver BC). In his various roles, Mr. Rae has raised over \$50M in venture, strategic and capital markets financings, engaged in a successful cross-border M&A transaction, and played a significant role in shaping multiple business development deals (Cambridge Antibody, Isis Pharmaceuticals, Medarex, Immune Pharmaceuticals, JDRF). Prior to his operational experiences, Mr. Rae served as Biotechnology Equities Analyst, Goepel Shields & Partners (now Raymond James Canada), covering Canadian biotechnology stocks including Angiotech Pharmaceuticals, QLT Inc. and ID Biomedical. In 2009 Andrew was Pacific Finalist, Ernst & Young Entrepreneur of the Year (Canada). Mr. Rae's degrees include a B.Sc. from the University of Western Ontario and an MBA from Simon Fraser University.

Pre-Approval of Audit Services and Permitted Non-Audit Services

As set forth in the Audit Committee Mandate, the Audit Committee is required to pre-approve all audit services and permitted non-audit services performed by our external auditors.

External Auditor Service Fees

The following table sets forth, by category, the fees billed by PricewaterhouseCooper LLP to the Company for the year ended December 31, 2018 (including estimates) and for the year ended December 31, 2017 (actuals). During these years, PricewaterhouseCooper LLP was the Company's only external auditor.

| Financial Year Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees | Total |
|------------------------------|-------------------|---------------------------|-----------------|-----------------------|--------------|
| December 31, 2018 | \$37,600 | \$27,300 | Nil | Nil | \$64,900 |
| December 31, 2017 | \$30,500 | Nil | Nil | Nil | \$30,500 |

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. Security holders may obtain copies of the Company's financial statements and management's discussion and analysis on SEDAR or by contacting the Company at iCo Therapeutics Inc., 6th floor – 777 Hornby Street, Vancouver, British Columbia, Canada V6Z 2T3, Telephone: (778) 802-9806, E-mail: liggett@icotherapeutics.com.

Approval of Circular

The contents and the sending of this Circular to the shareholders of the Company have been approved by the board of directors.

By Order of the Board of Directors

(signed) "*Andrew Rae*"

Andrew Rae
Director and Chief Executive Officer

Vancouver, British Columbia
May 28, 2018

SCHEDULE "A"

CORPORATE GOVERNANCE PRACTICES

The following is an overview of the Company's corporate governance practices. In addition to the disclosure provided below, the audit committee charter is attached as Schedule "B" to this Circular.

Board of Directors

The board of directors of the Company (the "Board") encourages sound and comprehensive corporate governance policies and practices designed to promote the ongoing development of the Company. The Board is currently composed of four directors, a half of whom are independent directors. A board member is "independent" if he has no direct or indirect material relationship with the Company. After having examined the roles and relationships of each of the directors, the Board has determined that the following members of its current board of directors are independent: William Jarosz (Chairman) and Susan Koppy. As executive officers of the Company, Andrew Rae and Michael Liggett are not independent directors.

The Board believes that the independence of its directors, including its Chairman, enables the Board to exercise independent supervision over management. The independent directors have significant experience in corporate affairs and, as a consequence, are able to provide significant and valuable independent supervision over management.

Other Directorships

The following table provides a summary of other reporting issuers that the directors of the Company are directors of:

| Board Member | Reporting Issuer |
|---------------------|-------------------------|
| William Jarosz | None |
| Susan Koppy | None |
| Andrew Rae | None |
| Michael Liggett | Hit Technologies Inc. |

Orientation and Continuing Education

It is the mandate of the Governance and Nomination Committee to ensure that a process is established for the orientation and education of new directors which addresses the nature and operation of the Company's business and their responsibilities and duties as directors (including the contribution individual directors are expected to make and the commitment of time and resources that the Company expects from its directors). The Governance and Nomination Committee is also responsible for ensuring that directors receive adequate information and continuing education opportunities on an ongoing basis to enable directors to maintain their skills and abilities as directors and to ensure their knowledge and understanding of the Company's business remains current.

Ethical Business Conduct

The Company is committed to maintaining the highest standards of corporate governance and this philosophy is communicated by the Board to management, and by management to employees, on an ongoing basis. Given the Company's relatively small workforce, the Board has not considered it necessary to adopt a formal code of business conduct and ethics or whistleblower policy but will regularly consider whether it would be advisable to adopt such a code or policy in the future.

Nomination of Directors

It is the mandate of the Governance and Nomination Committee to identify, in consultation with the Chief Executive Officer, and recommend qualified candidates for the Board. In assessing whether identified candidates are suitable for the Board, the Governance and Nomination Committee considers: (i) the competencies and skills considered

necessary for the Board as a whole; (ii) the competencies and skills that the existing directors possess and the competencies and skills nominees will bring to the Board; and (iii) whether a nominee can devote sufficient time and resources to his or her duties as a member of the Board. In addition, the Governance and Nomination Committee assesses the participation, contribution and effectiveness of the individual members of the Board on an annual basis.

Compensation

The Compensation Committee is responsible for board compensation, the establishment of salaries of executive management and senior staff, review of the contingency plan for management succession and employee-employer relations. The Compensation Committee reviews and makes recommendations to the Board regarding the corporate goals and objective, performance and compensation of the Chief Executive Officer on an annual basis and is responsible for reviewing the recommendations of the Chief Executive Officer regarding compensation of the senior officers, the compensation policy of the Company (including internal structure, annual review and relationship to market levels and changes), significant changes in the Company's benefit plan and human resources policies and the issuance of stock options to employees, consultants and directors.

Assessments

It is the Board's mandate, in conjunction with the Governance and Nomination Committee, to assess the participation, contributions and effectiveness of the Chair and the individual members of the Board on an annual basis. The Board also monitors the effectiveness of the Board and its committees and the actions of the Board as viewed by the individual directors and senior management.

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

Purpose

The audit committee (the “Committee”) of iCo Therapeutics Inc. (the “Corporation”) is responsible for ensuring accounting integrity and solvency. The Committee is also responsible for ensuring the appropriateness of insurance, investment of liquid funds, information security policies, material contracts and events that could lead to material liabilities. The Committee will assist the board of directors of the Corporation (the “Board”) in fulfilling its oversight responsibilities by:

- reviewing the integrity of the consolidated financial statements of the Corporation;
- appointing and removing (subject to shareholder ratification if required), determine funding for, and oversee the external auditors and reviewing the external auditors’ qualifications and independence;
- reviewing the performance of the Corporation’s external auditors;
- in conjunction with the Chief Financial Officer, reviewing the timely compliance by the Corporation with all legal and regulatory requirements for audit and related financial functions of the Corporation;
- in conjunction with the Chief Financial Officer, reviewing financial information contained in public filings of the Corporation prior to filing;
- in conjunction with the Chief Financial Officer, reviewing earnings announcements of the Corporation prior to release to the public;
- in conjunction with the Chief Financial Officer, reviewing the Corporation’s systems of and compliance with internal financial controls;
- in conjunction with the Chief Financial Officer, reviewing the Corporation’s auditing, accounting and financial reporting processes;
- dealing with all complaints brought to the attention of the audit committee regarding accounting, internal accounting controls and auditing matters; and
- dealing with any issues that result from the reviews set forth above.

Membership and Reporting

The Committee will be comprised of independent directors and will have a minimum of three members. All members of the Committee must have a working familiarity with basic finance and accounting practices and be able to read and understand financial statements.

Appointments and replacements to the Committee will be made by the Board and will be reviewed on an annual basis. The Board will provide for continuity of membership, while at the same time allowing fresh perspectives to be added. Each member of the Committee will automatically cease to be a member if he or she ceases to be an independent director.

The chairman of the Committee (the “Chairman”) will be appointed by a majority vote of the Board on an annual basis.

The Committee will report to the Board, at the next scheduled meeting of the Board, the proceedings of the Committee and any recommendations made by the Committee.

Each member of the Committee will be “financially literate”, as such term is defined in National Instrument 52-110”.

The external auditors will report directly to the Committee.

Terms of Reference

1. The Committee is responsible for overseeing the work of the external auditors and will communicate directly with the external auditors as required.
2. The Committee will meet as required, but at least once quarterly (to review the quarterly financial statements, management accounting, management discussion and analysis (“MD&A”) and any related press release before such documents are presented to the Board or filed with regulatory authorities, as the case may be). Special meetings of the Committee will be authorized at the request of any member of the Committee or at the request of the Corporation’s external auditors. The external auditors will be informed about, and can attend, meetings of the Committee as deemed appropriate by the Chairman of the Committee. Provision will be made to meet privately with external auditors on a quarterly basis and to meet privately with management at least once per annum.
3. The Committee will review, with the external auditors, the results of the external audit and any changes in accounting practices or policies and the financial statements impact thereof. In addition, the Committee will review any accruals, provisions, or estimates that have a significant effect upon the financial statements as well as other sensitive matters such as disclosure of related party transactions.
4. The Committee will review and approve interim financial statements, MD&A and any related press release on behalf of the Board and sign a resolution to that effect.
5. In addition, the Committee will review other financial statements, information and documents that require the approval of the Board. These will include year-end audited statements, year-end MD&A, statements in prospectuses and other offering memoranda and statements required by regulatory authorities. The Committee will sign a resolution to the effect that such financial statements, information or documents that are being presented to the Board are satisfactory and recommend their approval.
6. The Committee will review and discuss with management and the external auditors any major issue as to the adequacy and effectiveness of internal controls over the accounting and financial reporting systems of the Corporation, either directly, or through the external auditors or other advisors and obtain and review a report from the external auditors, at least annually, regarding same; and the Committee will review and discuss with management and the external auditors any special steps adopted in light of material internal control deficiencies and the adequacy of disclosures about changes in internal controls over financial reporting.
7. The Committee will review any policies and practices developed by the Corporation regarding the regular examination of officers’ expenses and perquisites, including the use of the assets of the Corporation.
8. The Committee will review the basis and amount of the external auditors’ fees and pre-approve all auditing services and permitted non-audit services.
9. The Committee will consider whether the external auditors should be re-appointed and make recommendations to the Board. At least on an annual basis, the Committee will evaluate the qualifications,

performance and independence of the external auditors and the senior audit partners having primary responsibility for the audit, including considering whether the auditors' quality controls are adequate.

10. The Committee will pre-approve the appointment of the external auditors for all accounting services, internal control related services and permitted non-audit services to be provided to the Corporation. The Committee may establish policies and procedures, from time to time, pre-approving the appointment of the external auditors for certain non-audit services. In addition, the Committee may delegate to one or more members the authority to pre-approve the appointment of the external auditors for any non-audit service to the extent permitted by applicable law, provided that any pre-approvals granted pursuant to such delegation will be reported to the full Committee at its next scheduled meeting.
11. The Committee will review and approve the Corporation's hiring of partners and employees of the external auditors of the Corporation.
12. The Committee will establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
13. The Committee will review and reassess the adequacy of this mandate annually.
14. The Committee has the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors ("Advisors"). The Corporation will provide appropriate funding, as determined by the Committee, for payment of compensation to the external auditors for the purpose of rendering or issuing an audit report and to any Advisors employed by the Committee.
15. The Committee will issue any necessary reports required of the Committee to be included in the Corporation's annual proxy statement. The Committee will review and recommend to the Board the approval of all documents filed with securities regulatory authorities.
16. The Committee will approve all related party transactions brought to the attention of the Committee.
17. The Committee will discuss with management and the external auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
18. The Committee will receive from the external auditors a formal written statement delineating all relationships between the external auditors and the Corporation and will actively engaging in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

Approved: January 1, 2008