

**VOYAGEUR PHARMACEUTIUCALS LTD  
STATEMENT OF EXECUTIVE COMPENSATION  
FOR THE YEAR ENDED NOVEMBER 30, 2019**

**EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS**

**Compensation Discussion and Analysis**

In this statement of executive compensation, ("Executive Compensation Report"), "Named Executive Officers" or "NEO" means each of the following individuals: (1) the Chief Executive Officer ("CEO"); (2) the Chief Financial Officer ("CFO"); (3) the most highly compensated executive officer other than the CEO and CFO whose total compensation at the end of the most recently completed financial year was more than \$150,000; and (4) each individual who would be a Named Executive Officer under item (3) but for the fact that the individual was neither an executive officer of Voyageur Pharmaceuticals Ltd. (the "Corporation"), nor acting in a similar capacity, at the end of that financial year.

The following discussion describes the significant elements of the Corporation's current executive compensation program, with emphasis on the process of determining compensation payable to the CEO and the CFO, and each of the three most highly compensated executive officers other than the President and CEO, and the CFO (collectively, the "Named Executive Officers" or "NEOs" and "Named Executive Officer").

**Compensation Discussion and Analysis**

The objective of the Corporation's compensation program is to compensate NEOs and directors for their services to the Corporation at a level that is both in line with the Corporation's fiscal resources and competitive with companies at a similar stage of development. The Corporation compensates its NEOs based on their skill and experience levels and the existing stage of development of the Corporation. The Corporation's compensation program is designed to reward performance that contributes to the achievement of the Corporation's business strategy and performance goals on both a short-term and long-term basis. NEO's are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

Company's executive compensation program currently has two principal components: base salary and stock options. The base salary provides a fixed level of regularly paid cash compensation for performing day-to-day responsibilities. The stock options reward long-term performance by allowing NEOs to participate in the long-term market appreciation of the common shares of the Corporation (the "Common Shares"). The Corporation does not, as of the date of this Executive Compensation Report, offer any form of benefit plan or pension plan.

The Corporation did not have any employment agreements with the NEOs at November 30, 2019 that would provide severance to the NEOs. Further, the Corporation pays its employees on a base salary only and does not compensate employees based on Corporation goals or any performance based criteria. The Corporation does not have an employee benefit program in place at this time but it is expected to implement such in due course. The Corporation does not have a pension plan in place for its employees and it is uncertain if one will be implemented in the near future. There is no formal compensation program in place for the new directors and it is not expected there will be one put in place during 2020. Directors are not expected to be paid any cash fees but may be granted options under the Option Plan from time to time.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Corporation's financial resources and prospects.

In assessing the compensation of its executive officers, the Corporation does not have in place formal objectives, criteria or analysis; instead, it relies mainly on discussions between the Compensation and Corporate Governance Committee and the Board of Directors. In making compensation recommendations, the Compensation and Corporate Governance Committee considers each executive's performance and other relevant factors, including the scope of each executive's position and responsibilities, the achievement of corporate goals, the current business environment and anticipated changes, and executive retention and recruitment considerations. The Compensation and Corporate Governance Committee does not rely on benchmarks or a specific formula, but instead relies upon comparisons to peer company executives along with the resources available to the Company in making compensation decisions.

For the fiscal year ended November 30, 2019 the Corporation had two Named Executive Officers: Brent Willis, who was the Corporation's President and CEO (Mr. Willis took over for John Rucci during the year ended November 30, 2019), and Gordon Forbes, the Corporation's CFO.

### **Salary**

In establishing base salaries, the Compensation and Corporate Governance Committee is responsible for periodically reviewing comparable market salary levels for individuals in positions with similar responsibilities and experience.

### **Option Based Awards**

The Stock Option Plan is designed to provide an incentive to the directors, officers and employees to achieve the longer-term objectives of the Company and is the responsibility of the Compensation and Corporate Governance Committee. The purpose of the Stock Option Plan is to give suitable recognition to the ability and performance of such persons who contribute materially to the success of the Company and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased ownership interest in the Company. Generally, the number of Options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Company, the number of Options that have already been granted to the optionee and such other factors as the Compensation and Corporate Governance Committee may consider relevant.

### **Summary Compensation Table**

The following table sets forth the total compensation paid to or earned by the NEO's and directors for the Company's three most recent financial years. excluding, in each case, compensation securities awarded to each such individual.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fees, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total Compensation (\$)
Brent Willis <sup>(1)</sup> President and CEO, Director	2017	60,000	Nil	Nil	Nil	Nil	60,000
	2018	60,000	Nil	Nil	Nil	Nil	60,000
	2019	62,500	Nil	Nil	Nil	Nil	62,500
Gordon Forbes CFO	2017	60,000	Nil	Nil	Nil	Nil	60,000
	2018	60,000	Nil	Nil	Nil	Nil	60,000
	2019	62,500	Nil	Nil	Nil	Nil	62,500
Brad Willis COO, Director	2017	60,000	Nil	Nil	Nil	Nil	60,000
	2018	60,000	Nil	Nil	Nil	Nil	60,000
	2019	62,500	Nil	Nil	Nil	Nil	62,500
John Rucci <sup>(2)</sup> President and CEO, Director	2017	60,000	Nil	Nil	Nil	Nil	60,000
	2018	60,000	Nil	Nil	Nil	Nil	60,000
	2019	32,400	Nil	Nil	Nil	Nil	32,400
Trent Abraham <sup>(3)</sup> , Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
Charles Littlejohn <sup>(4)</sup> , Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Randy Henkle <sup>(5)</sup> , Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
Declan Livesey <sup>(6)</sup> , Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
D. Richard Skeith <sup>(7)</sup> , Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Burgess <sup>(8)</sup> , Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Joe Scarlett <sup>(9)</sup> , Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Willis was appointed a director on December 6, 2017 and CEO of the Corporation on July 1, 2019
- (2) Mr Rucci resigned as director and CEO on June 30, 2019
- (3) Mr Abraham was appointed director on June 25, 2019
- (4) Dr. Littlejohn was appointed director on March 29, 2018
- (5) Mr. Henkle was appointed director on August 7, 2019
- (6) Mr Livesey resigned as director on August 1, 2019
- (7) Mr Skeith resigned as director on September 10, 2019
- (8) Mr Burgess resigned as director on September 9, 2019
- (9) Mr Scarlett resigned as director on March, 2019

## Compensation Securities

The compensation securities were paid to the Corporation's NEOs and directors for the year ended November 30, 2018 as follows:

Option Based Awards								
Name and Position	Type of compensation security	Number of securities underlying unexercised options	Date of issue or grant	Option exercise price \$	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Option expiration date (YYYY-MM-DD)	Value of unexercised in-the-money Options <sup>(1)</sup> (\$)
Brent Willis <sup>(2)</sup> President and CEO,	Stock Option	320,000	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil
Gordon Forbes CFO	Stock Option	1,040,350	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil
Brad Willis COO, Director	Stock Option	320,000	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil
John Rucci <sup>(3)</sup> President and CEO,	Stock Option	320,000	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil
Trent Abraham <sup>(4)</sup> , Director		Nil		Nil			Nil	Nil
Charles Littlejohn <sup>(5)</sup> , Director	Stock Option	250,000	2018-05-31	0.10	0.085	0.075	2023-05-31	Nil
Randy Henkle <sup>(6)</sup> , Director		Nil		Nil			Nil	Nil
Declan Livesey <sup>(7)</sup> , Director	Stock Option	310,909	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil
D. Richard Skeith <sup>(8)</sup> , Director	Stock Option	322,867	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil
Andrew Burgess <sup>(9)</sup> , Director	Stock Option	585,944	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil
Joe Scarlett <sup>(10)</sup> , Director	Stock Option	179,371	2017-12-05	0.10	0.085	0.075	2022-12-05	Nil

Notes:

- (1) The amount has been calculated based on the difference between the closing market price of the common shares as at November 30, 2019 being \$0.075 and the exercise price of the options
- (2) Mr. Willis was appointed a director on December 6, 2017 and CEO of the Corporation July 1, 2019
- (3) Mr Rucci resigned as director and CEO on June 30, 2019
- (4) Mr Abraham was appointed director on June 25, 2019
- (5) Dr. Littlejohn was appointed director on March 29, 2018
- (6) Mr. Henkle was appointed director on August 7, 2019
- (7) Mr Livesey resigned as director on August 1, 2019
- (8) Mr Skeith resigned as director on September 10, 2019
- (9) Mr Burgess resigned as director on September 9, 2019
- (10) Mr Scarlett resigned as director on March, 2019

There were no exercise by any director or named executive officer of compensation securities during the most recently completed fiscal year.

## Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to Named Executive Officers and directors during the most recently completed financial year.

Name and Position	Option Based Awards	
	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>	Non-equity incentive plan compensation - Value earned during the year (\$)
Brent Willis <sup>(2)</sup> President and CEO, Director	Nil	Nil
Gordon Forbes CFO	Nil	Nil
Brad Willis COO, Director	Nil	Nil
John Rucci <sup>(3)</sup> President and CEO, Director	Nil	Nil
Trent Abraham <sup>(4)</sup> , Director	Nil	Nil
Charles Littlejohn <sup>(5)</sup> , Director	Nil	Nil
Randy Henkle <sup>(6)</sup> , Director	Nil	Nil
Declan Livesey <sup>(7)</sup> , Director	Nil	Nil
D. Richard Skeith <sup>(8)</sup> , Director	Nil	Nil
Andrew Burgess <sup>(9)</sup> , Director	Nil	Nil
Joe Scarlett <sup>(10)</sup> , Director	Nil	Nil

Notes:

- (1) The aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date was calculated by determining the difference between the market price of the underlying securities at exercise and the exercise of base price of the Options under the option-based award on the vesting date.
- (2) Mr. Willis was appointed a director on December 6, 2017 and CEO of the Corporation July 1, 2019
- (3) Mr Rucci resigned as director and CEO on June 30, 2019
- (4) Mr Abraham was appointed director on June 25, 2019
- (5) Dr. Littlejohn was appointed director on March 29, 2018
- (6) Mr. Henkle was appointed director on August 7, 2019
- (7) Mr Livesey resigned as director on August 1, 2019
- (8) Mr Skeith resigned as director on September 10, 2019
- (9) Mr Burgess resigned as director on September 9, 2019
- (10) Mr Scarlett resigned as director on March, 2019

## **Description of the Option Plan**

The Option Plan was adopted by the Board of Directors effective October 17, 2011 and was previously approved by Shareholders on June 16, 2017. Pursuant to the terms of the Option Plan, the Board of Directors may from time to time, in its discretion and in accordance with the requirements of the TSX Venture Exchange (the "TSXV"), grant directors, officers, employees, consultants and other personnel, non-transferable options, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares to be outstanding from time to time. Each option will be exercisable for a period of up to 10 years from the date of grant.

The number of Common Shares reserved for issuance to any individual director, officer, employee or other personnel of the Corporation or a subsidiary or the Corporation in any 12 month period will not exceed five percent (5%) of the number of Common Shares issued and outstanding from time to time and the number of Common Shares reserved for issuance to all persons employed to provide Investor Relations Activities or to any one Consultant (as such terms are defined in the TSXV policies) in any 12 month period will not exceed two percent (2%) of the number of Common Shares issued and outstanding from time to time. Options may be exercised until 90 days following cessation of the optionee's position with the Corporation (or 30 days in the case of an optionee engaged in Investor Relations Activities), provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option.

The exercise price of the Common Shares covered by each option will be determined by the Board of Directors or a committee authorized and directed thereby. The exercise price will not be less than the price permitted by the TSXV, or any other stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. Currently, the TSXV requires that the exercise price of the options must be equal to or greater than the Discounted Market Price (as defined in the policies of the TSXV). The exercise price of options is solely payable in cash.

The Corporation is required to obtain disinterested shareholder approval of any decrease in the exercise price of options previously granted to insiders of the Corporation. Additionally, the Corporation must obtain disinterested shareholder approval of options if the Option Plan, together with all of the Corporation's previously established and outstanding options or grants, could result at any time in the grant to insiders, within a 12 month period, of a number of options exceeding 10% of the issued and outstanding Common Shares of the Corporation. In order to obtain disinterested shareholder approval, the proposed grant or Option Plan must be approved by a majority of the votes cast by all shareholders of the Corporation at a shareholders' meeting, excluding the votes attached to shares that are beneficially owned by Insiders and Associates of Insiders (as such terms are defined in the policies of the TSXV).

## Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding options issued pursuant to equity compensation plans, the weighted average exercise price of such outstanding options and the number of Common Shares remaining available for future issuance under equity compensation plans of the Corporation as of November 30, 2019.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding Common Shares reflected in the first column)
Equity compensation plans approved by securityholders	4,229,441	\$0.10	1,488,939
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	4,229,441	\$0.10	1,488,939