



ZYUS LIFE SCIENCES CORPORATION

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 27, 2024
AND
MANAGEMENT INFORMATION CIRCULAR**

MAY 14, 2024

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ZYUS LIFE SCIENCES CORPORATION

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares (the "**Common Shares**") of ZYUS Life Sciences Corporation (the "**Corporation**") will be held at Room 104A & 104B (Candle Span Room) — 111 Research Drive, Saskatoon, Saskatchewan, S7N 3R2 at 1:00 p.m. (Saskatchewan time) on June 27, 2024 for the following purposes

1. to receive and consider the audited financial statements of the Corporation for the period from January 1, 2023 to December 31, 2023 together with the auditors' report thereon;
2. to elect the Directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
3. to reappoint KPMG LLP, 500, 475 - 2nd Avenue South Saskatoon, SK S7K 1P4, Canada as the auditors of the Corporation for the ensuing year and authorize the Board of Directors to fix the remuneration to be paid to the auditors;
4. to consider, and if thought fit, to pass an ordinary resolution to ratify, confirm and approve the Corporation's Omnibus Equity Compensation Plan, as described in the accompanying management information circular, pursuant to which the Board of Directors of the Corporation, may, from time to time, authorize the issuance of share-based awards to acquire Common Shares up to a maximum of 10% of the issued and outstanding Common Shares at the time of grant; and,
5. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement thereof.

Shareholders entitled to vote may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person, are requested to complete, sign, date and return the enclosed form of proxy by mail or submit an Internet or telephone proxy by following the instructions as set out in the enclosed form of proxy. Refer to "Notes" below.

Website Where Meeting Materials are Posted

The management information circular ("**Circular**"), financial statements of the Corporation for the period from January 1, 2023 to December 31, 2023 ("**Financial Statements**"), and Management Discussion and Analysis for the period from January 1, 2023 to December 31, 2023 ("**MD&A**") may be viewed online via the System for Electronic Document Analysis and Retrieval + ("**SEDAR+**") at www.sedarplus.ca or on the Corporation's transfer agent's website at <https://docs.tsxtrust.com/2421>.

Obtaining Paper Copies of Materials

Shareholders may also obtain paper copies of the Circular, Financial Statements, and MD&A free of charge by contacting TSX Trust Company by telephone at 1-800-600-5869, mail at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1 or email at txtis@tmx.com. A request for paper copies which are required in advance of the Meeting should be made as soon as possible so that they are received by TSX Trust Company by June 18, 2024 to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to TSX Trust Company, or b) their voting instruction form to their intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof (the "**Proxy Deadline**").

Notice-and-Access

The Corporation is utilizing the notice-and-access mechanism (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 distribution of Meeting materials to registered and non-registered (or beneficial) Shareholders. The Notice-and-Access Provisions allow reporting

issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via SEDAR+, and on one other website, rather than mailing paper copies of such materials to Shareholders. The Corporation anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular. Shareholders who wish to receive a paper copy of the Circular, Financial Statements, and MD&A should refer to "Obtaining Paper Copies of Materials" above.

Shareholders with questions about notice-and-access can contact the Corporation's transfer agent, TSX Trust Company, by telephone at 1-800-600-5869, mail at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1 or email at tsxtis@tmx.com.

Management strongly encourages all shareholders to review the Circular before voting and complete and submit their form of proxy in accordance with the instructions provided thereon.

DATED at Saskatoon, Saskatchewan this 14th day of May, 2024;

**BY ORDER OF THE
BOARD OF DIRECTORS**

"Brent Zettl"

BRENT ZETTL
President & Chief Executive Officer

NOTES:

1. Shareholders registered on the books of the Corporation at the close of business on May 8, 2024 are entitled to notice of the Meeting.
2. Shareholders registered on the books of the Corporation at the close of business on May 8, 2024 are entitled to vote at the Meeting.
3. The directors have fixed the hour of 1:00 p.m. (Central Standard Time) on the second last business day preceding the day of the Meeting, being Tuesday, June 25, 2024, or any adjournment thereof as the time before which the instrument of proxy to be used at the Meeting must be deposited with the transfer agent of the Corporation, TSX Trust Company., 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting.



**ZYUS LIFE SCIENCES CORPORATION
(“ZYUS” or the “Corporation”)**

**MANAGEMENT INFORMATION CIRCULAR
May 14, 2024**

INTRODUCTION

This management information circular (the “Circular”) is dated May 14, 2024 and is furnished in connection with the solicitation of proxies by and on behalf of the management of the Corporation (“Management”) for use at the annual general and special meeting (the “Meeting”) of shareholders of the Corporation (the “Shareholders”) to be held at Room 104A & 104B (Candle Span Room) — 111 Research Drive, Saskatoon, Saskatchewan, S7N 3R2 at 1:00 p.m. (Saskatchewan time) on June 27, 2024 for the purposes set out in the accompanying notice of Meeting (the “Notice”) and at any adjournment or postponement thereof. Except where otherwise indicated, this Circular contains information as of the close of business on May 14, 2024. It is expected that the solicitation of proxies on behalf of management will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers, employees, or agents of the Corporation. The cost of soliciting proxies on behalf of management will be borne by the Corporation. The Corporation may also reimburse brokers and other persons holding Common shares of the Corporation (the “Common Shares”) in their names or in the name of nominees, for their costs incurred in sending proxy materials to beneficial owners and obtaining their proxies or voting instructions.

Information Contained in this Circular

The Corporation is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), for distribution of Meeting materials to registered and non-registered (or beneficial) Shareholders. Further information on notice-and-access is contained below under the heading “Notice and Access” and Shareholders are encouraged to read this information for an explanation of their rights.

No person has been authorized to give information or to make any representations in connection with the matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the resolutions or be considered to have been authorized by the Corporation or the Board of Directors (the “**Board**” or “**Board of Directors**”) of the Corporation.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities. This Circular also does not constitute the solicitation of a proxy by any person in any jurisdiction in which such a solicitation is not authorized or in which the person making such a solicitation is not qualified to do so or to any person to whom it is unlawful to make such a solicitation.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection with the Meeting. All dollar amounts herein are expressed in Canadian dollars unless otherwise indicated.

GENERAL PROXY MATTERS

Notice-and-Access

As noted above, the Corporation is utilizing the Notice-and-Access Provisions under NI 54-101 and NI 51-102 for distribution of this Circular to all Registered Shareholders and Non-Registered Holders (as defined under "**Appointment of Proxies – Non-Registered Holders**").

The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval + ("**SEDAR+**"), and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the period from January 1, 2023 to December 31, 2023 ("**Financial Statements**"), and Management Discussion and Analysis for the period from January 1, 2023 to December 31, 2023 ("**MD&A**") may be viewed online via SEDAR+ at www.sedarplus.ca or on the Corporation's website at <https://docs.tsxtrust.com/2421>. The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this Circular.

Shareholders are reminded to review this Circular before voting.

Although this Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a "notice package" via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and supplemental mail list return card for Shareholders to request they be included in the Corporation's supplementary mailing list for receipt of the Corporation's interim financial statements for the 2024 fiscal year.

The Corporation anticipates that Notice-and-Access will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice-and-access can contact the Corporation's transfer agent, TSX Trust Company, by mail at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1 or email at tsxtis@tmx.com. Shareholders may also obtain paper copies of this Circular, the Financial Statements and the MD&A free of charge by contacting TSX Trust Company at the same addresses. A request for paper copies which are required in advance of the Meeting should be made as soon as possible so that they are received by TSX Trust Company by June 18, 2024 in order to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to TSX Trust Company, or b) their voting instruction form to their Intermediaries (as defined below) by its due date.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy (the "**Proxy**") are representatives of management of the Corporation and are directors and/or officers of the Corporation (the "**Management Representatives**"). **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM/HER/IT ON HIS/HER/ITS BEHALF AT THE MEETING OTHER THAN THE MANAGEMENT REPRESENTATIVES NAMED IN THE ENCLOSED PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER MAY INSERT THE NAME OF HIS/HER/ITS NOMINEE IN THE BLANK SPACE PROVIDED IN THE APPROPRIATE INSTRUMENT OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY AND, IN EITHER CASE, SENDING OR DELIVERING THE COMPLETED PROXY TO THE OFFICES OF THE TRANSFER AGENT OF THE CORPORATION, TSX TRUST COMPANY, BY MAIL AT 301 - 100 ADELAIDE STREET WEST, TORONTO, ONTARIO M5H 4H1, BY FACSIMILE AT 416-595-9593 OR VIA THE INTERNET AT WWW.VOTEPROXYONLINE.COM..** If Shareholders choose to vote by internet,

their vote must also be cast no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time of the Meeting or any adjournment thereof.

The Proxy must be received by the transfer agent of the Corporation, TSX Trust Company, not later than 1:00p.m. on Tuesday, June 25, 2024 or later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment or postponement of the Meeting. Failure to so deposit a form of proxy shall result in its invalidation.

The Proxy must be signed by the registered Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, the applicable Proxy should be signed in its corporate name under its corporate seal (if required) by an authorized officer whose title should be indicated. A Proxy signed by a Person acting as attorney or in some other representative capacity should reflect such Person's capacity following his or her signature and may be required to provide documentation evidencing the signatory's power to sign the Proxy.

A Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such securityholder or by his attorney duly authorized in writing or, if the Shareholder is a corporation, by a director, officer or attorney thereof duly authorized, and deposited at the above mentioned office of TSX Trust Company no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting, or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Exercise of Discretion by Proxy Holders

All Common Shares represented at the Meeting by properly executed instruments of Proxy will be voted. Where a choice with respect to any matter to be acted upon has been specified in the Proxy, the securities represented by the Proxy will be voted in accordance with such specification. In the absence of such specification, such securities will be voted in favour of each applicable resolution. The enclosed Instruments of Proxy confer discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, management of the Corporation know of no such amendment, variation or other matter.

Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the registrar and transfer agent for the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. With respect to Shareholders, in Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers, or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. The majority of Common Shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS Clearing and Depository Services Inc.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order

to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. In the case of public companies, the majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable Voting Instruction Form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the Voting Instruction Form to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Common Shares directly at the Meeting as the Voting Instruction Form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker or other intermediary, you may attend at the Meeting as a proxyholder for the registered holder and vote your Common Shares in that capacity. If you wish to attend the Meeting and vote your own Common Shares, you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the applicable form of proxy or voting instruction form provided to you and return the document to your broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

Only registered shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their broker, intermediary or agent to change the vote and, if necessary, revoke their proxy.

Voting of Proxies

The Management Representatives designated in the enclosed Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by Proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of such instructions, such Common Shares will be voted by the Management Representatives: (i) FOR the election of each of the individual nominees named in this Circular as directors of the Corporation; and (ii) FOR the appointment of KPMG LLP, 500, 475 - 2nd Avenue South Saskatoon, SK S7K 1P4, Canada, as auditors of the Corporation and the authorization of the directors of the Corporation to fix the auditors' remuneration; and, (iv) the ratification, confirmation and approval of the Corporation's Omnibus Equity Compensation Plan (the "Plan") pursuant to which the Board of Directors of the Corporation, may, from time to time, authorize the issuance of share-based awards to acquire Common Shares up to a maximum of 10% of the issued and outstanding Common Shares at the time of grant.**

Voting Securities, Record Date and Quorum

The voting securities of the Corporation consists of Common Shares. The Corporation is authorized to issue and unlimited number of Common Shares. The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been fixed at May 8, 2024 (the "**Record Date**"). As at the Record Date, the Corporation had 70,847,396 Common Shares issued and outstanding. Each Shareholder will be entitled to one vote at the Meeting for each Common Shares held by them. The quorum at the Meeting will be 2 persons present in person or represented by proxy and holding or representing not less than 5% of the outstanding Common Shares entitled to be voted at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, other than as set out below, as of the date hereof there are no Persons or companies who are beneficial holders of Common Shares entitled to more than 10% of the votes which may be cast at the Meeting:

Name	Number and % of ZYUS Common Shares at as the date hereto
Brent Zettl ⁽¹⁾	34,173,073 (48%)

Note:

⁽¹⁾ Brent Zettl holds 184,000 Common Shares, 33,314,572 Common Shares through 102042227 Saskatchewan Ltd., a company beneficially owned and controlled by him, 660,413 Common Shares through 1189115 B.C. Ltd., a company beneficially owned and controlled by him and has control over 14,088 Common Shares owned, directly or indirectly, by Stephen Zettl. Mr. Zettl has also been granted 493,108 options and 377,465 warrants to acquire Common Shares and all of such options and warrants have vested as of the date hereof.

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

Other than the ability of the directors and executive officers to receive share-based awards under the Corporation's Omnibus Equity Compensation Plan, none of:

- (a) the directors or executive officers of the Corporation at any time since the beginning of the last financial year of the Corporation;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) 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 matters to be acted upon at the Meeting other than the election of directors.

BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”), the Board will place before the Meeting the financial statements of the Corporation for the period from the date of January 1, 2023 to December 31, 2023 together with the auditors’ report thereon, a copy of which is available under the Corporation’s SEDAR+ profile at www.sedarplus.ca . All shareholders may request a paper copy of the audited consolidated financial statements by contacting TSX Trust Company toll free at 1-800-600-5869. Shareholder approval is not required in relation to the financial statements.

ELECTION OF DIRECTORS

Overview

The Board currently consists of six directors, being Richard Hoyt, Dr. Charlotte Moore Hepburn, Brent Zettl, John Knowles, Garnette Weber and Wayne Brownlee. At the Meeting, Management will put forward Richard Hoyt, Dr. Charlotte Moore Hepburn, Brent Zettl, John Knowles, Garnette Weber and Wayne Brownlee as nominees for election as a Director for the ensuing year (the “**Nominees**”).

The bylaws of the Corporation provide that directors may only be nominated in accordance with a procedure set forth in the by-laws, subject to the OBCA or the articles of the Corporation. The by-laws include an advance notice provision with respect to election of directors (“**Advance Notice Provisions**”). Only persons who are nominated in accordance with the Advance Notice Provisions will be eligible for election as directors at any meeting of shareholders. Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide the Corporation notice, in the prescribed form, within the prescribed time periods. Each of the Nominees has been nominated by or at the direction of the Board of Directors. The Corporation did not receive any nomination from shareholders within the time period contemplated by the by-laws.

The Board recommends that Shareholders vote in favour of the six proposed Nominees. Shareholders have the option to (i) vote for all of the Nominees; (ii) vote for some of the Nominees and withhold for others; or (iii) withhold for all of the Nominees. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such Proxy are to be withheld or voted otherwise, the Management Representatives named in the accompanying Proxy will vote FOR the election of each of the Nominees.** Each director elected will hold office until the next annual meeting or until his/her office is earlier vacated in accordance with the by-laws of the Corporation.

Nominees

The following table and the names of all the Nominees, their principal occupation, the date on which each became a director of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date of this Circular, as well as information concerning committee membership.

Name, Province and Country of Ordinary Residence and Positions Held with the Corporation	Present Principal Occupation and/or Past Principal Occupation within the Previous Five Years	Director Since⁽⁸⁾	Number of Common Shares Beneficially Owned, Directly or Indirectly⁽⁹⁾
Brent Zettl ⁽²⁾ <i>Saskatchewan, Canada Director, Chief Executive Officer,</i>	Chief Executive Officer (ZYUS Life Sciences Corporation); Chief Executive Officer (ZYUS Life Sciences Inc.)	June 9, 2023	34,173,073 ^(3,10)

<i>President, Corporate Secretary</i>			
Richard Hoyt ^(3,5,7) <i>Missouri, United States Director, Board Chair</i>	Vice President of Business Development (Xeris Pharmaceuticals); Managing Partner (Ozark Transaction Advisors LLC); Vice President of Business Development and Licensing (Mallinckrodt PLC)	June 9, 2023	151,108 ⁽¹¹⁾
John Knowles ^(4,2,7) <i>Manitoba, Canada Director</i>	Corporate Director and Chartered Professional Accountant	June 9, 2023	294,719 ⁽¹¹⁾
Garnette Weber ^(1 6,7) <i>Saskatoon, Canada Director</i>	Chief Executive Officer (Interactive Tracking Systems Inc.)	June 9, 2023	Nil ⁽¹¹⁾
Dr. Charlotte Moore Hepburn ^(3,7) <i>Ontario, Canada Director</i>	Physician, Academic and Policy / Systems Researcher (University of Toronto School of Medicine and the University of Toronto Institute for Health Policy, Management and Evaluation)	August 15, 2015	7,200 ⁽¹¹⁾
Wayne Brownlee ^(1,2,7) <i>Saskatchewan, Canada Director</i>	Businessman	August 23, 2023	3,254,628 ⁽¹¹⁾

Notes:

- (1) Member of the Audit Committee.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Compensation Committee.
(4) Chair of the Audit Committee.
(5) Chair of the Corporate Governance and Nominating Committee.
(6) Chair of the Compensation Committee.
(7) Independent.
(8) Each current director's term expires at the Meeting.
(9) The information as to beneficial ownership of Shares currently held was provided by the respective directors and executive officers individually, as it is not within the knowledge of the Corporation.
(10) Brent Zettl holds 184,000 Common Shares personally, 33,314,572 Common Shares through 102042227 Saskatchewan Ltd., a company beneficially owned and controlled by him, 660,413 Common Shares through 1189115 B.C. Ltd., a company beneficially owned and controlled by him and has control over 14,088 Common Shares owned, directly or indirectly, by Stephen Zettl. Mr. Zettl has also been granted 493,108 options and 377,465 warrants to acquire Common Shares and all of such options and warrants have vested as of the date hereof.
(11) Mr. Hoyt has been granted 12,618 options to acquire Common Shares, all of which have vested as of the date hereof; Mr. Knowles has been granted 12,618 options to acquire Common Shares, all of which have vested as of the date hereof; Ms. Weber has been granted 4,597 options to acquire Common Shares, all of which have vested as of the date hereof; Dr. Moore Hepburn has been granted 32,800 options and 649 warrants to acquire Common Shares, all of which have vested as of the date thereof. Dr. Moore Hepburn also has control over 2,349,059 Common Shares owned, directly or indirectly, by Elizabeth Moore; Mr. Brownlee has been granted 28,177 warrants to acquire Common Shares, all of which have vested as of the date hereof.

The Board recommends that Shareholders vote in favour of the Nominees as Directors of the Corporation. In the absence of contrary instructions, the Management Representatives named in the accompanying Proxy intend to vote any Common Shares represented by such Proxies FOR the election of each of the individual Nominees.

Biographies of Proposed Nominees For Director

Brent Zettl – President, Chief Executive Officer, Corporate Secretary & Director

Mr. Zettl founded the Corporation's wholly owned subsidiary, ZYUS Life Sciences Inc., in April 2018. Prior to becoming the President and CEO of ZYUS Life Sciences Inc, Mr. Zettl had extensive experience in the cannabis industry and was the co-founder of Prairie Plant Systems Inc. in 1988 ("PPS"), CanniMed Ltd. in 2013 and their parent company, CanniMed Therapeutics Inc (collectively, "**CanniMed**"). In 1991, Mr. Zettl led the development of CanniMed's first biosecure underground growth chamber in Flin Flon, Manitoba. In February 2003, he founded SubTerra (and PPS's second biosecure underground growth chamber) at White Pine, Michigan and, in 2004, acquired the mine site for conversion into a biopharmaceutical production facility. Under his leadership, both PPS and CanniMed Ltd. became the first two licensed producers of cannabis under the *Marihuana for Medical Purposes Regulations* made under the CDSA in 2013. In 2016, CanniMed was

awarded a licence for the production and sale of medical cannabis oils and was acquired in March 2018 for approximately \$1.2 billion, the largest acquisition of a cannabis company at the time. Mr. Zettl contributes to the community through his involvement as director of the Canadian Environmental Technology Advancement Corporation – West, past Chair of Harvest Community Inc., a non-profit assisting people with intellectual disabilities, and past Chair of Ag-West Bio Inc., an organization supporting growth in the agricultural biotechnology industry. He has also been the chairman of the board of P.M. Power Group Inc. since 2016. In 2014, Mr. Zettl was awarded the Ernst and Young Entrepreneur of the Year Award for the Prairies Business-to-Consumer category. Mr. Zettl received a Bachelor of Science in Agriculture degree with distinction from the University of Saskatchewan.

Richard Hoyt, Director (Chair)

Mr. Hoyt is currently the Vice President of Business Development at Xeris Pharmaceuticals and Managing Partner of Ozark Transaction Advisors LLC, a consultancy that advises clients on pharmaceutical and active pharmaceutical ingredient transactions and licences. Previously he was Vice President of Business Development and Licensing at Mallinckrodt PLC, a leading provider of controlled substances and specialty pharmaceuticals. During his 40-year career at Mallinckrodt PLC, Mr. Hoyt also served as Vice President of Asset and Portfolio Management, Vice President and General Manager of New Products and Technology and Vice President of Active Pharmaceutical Ingredient Commercial Operations. His professional experiences include senior leadership role in corporate strategy, mergers and acquisitions, research and development and commercial management. Mr. Hoyt serves on several community boards and served as a Director and Chairman of the Technology and Commercialization Committee of CanniMed Therapeutics Inc. and Director and Chairman of the Audit Committee of the Biotechnology Research and Development Corporation. Mr. Hoyt has served as chair of ZYUS' Board and Governance and Nominating Committee since September 2020 and was the chair of the Compensation Committee from October 2020 to August 2021.

Garnette Weber, Director

Ms. Weber is a Co-Founder and the CEO of Interactive Tracking Systems Inc. (“itracks”) since 1996. In this capacity, Ms. Weber has played a pivotal role in the strategic planning process, IP management, research and development planning and the formulation of an international marketing strategy at itracks. Ms. Weber led her team in the development of one of the world's first online focus group platforms in 1999, followed by the first online research community platform in 2001. Thousands of brands and market research companies have used itracks' qualitative platforms including a number of Fortune 500 companies. Prior to founding itracks, Ms. Weber worked as a physiotherapist for 15 years in both private and public health care facilities and has provided healthcare research consulting for the past 10 years. Ms. Weber has served as a Board member and later the Chair of the Entrepreneurial Foundation and a member of the Saskatchewan Labour Market Commission. Ms. Weber received her Bachelor of Science Degree from the University of Saskatchewan. Ms. Weber has served as chair of ZYUS' Compensation Committee since August 2021.

John Knowles, Director

Mr. Knowles is a Corporate Director and Chartered Professional Accountant and has over 30 years of board and executive experience in Canadian and international companies, including several years in Africa. He is Chair of Ensign Minerals Inc., a gold development company, and Meals on Wheels of Winnipeg Inc., a home meal delivery charitable organization, and is a director of Riverview Health Centre, a Winnipeg acute and long-term care hospital. From 2008 to 2018 he was a director of CanniMed Therapeutics Inc. and its predecessor, Prairie Plant Systems Inc., and was its Chief Financial Officer from 2016 until its acquisition in 2018. He was a director of Roxgold Inc. from 2012 to 2021, was a director of Wildcat Exploration Ltd. (which subsequently changed its name to Fuse Cobalt Inc.) from 2007 to 2016 and Hudbay Minerals Inc. from 2009 to 2015 and has served on the boards of several other public and private Canadian companies. Mr. Knowles has served as a senior officer of publicly listed companies including as President and Chief Executive Officer of Wildcat Exploration Ltd., Executive Vice-President and Chief Financial Officer of Aur Resources Inc., and Vice-President and Chief Financial Officer of Hudbay Minerals Inc. He holds a Bachelor of Commerce (Honours) degree from Queen's University. Mr. Knowles has served as chair of ZYUS' Audit Committee and a member of the Governance and Nominating Committee since September 2020.

Dr. Charlotte Moore Hepburn, Director

Dr. Charlotte Moore Hepburn, MD, FRCPC, FAAP is a graduate of Princeton University (summa cum laude) and the Johns Hopkins University School of Medicine. She completed postgraduate studies at Harvard University and currently holds faculty appointments at both the University of Toronto School of Medicine and the University of Toronto Institute for Health Policy, Management and Evaluation. A physician with 20 years of clinical experience, she also maintains a clinical appointment at the Hospital for Sick Children in Toronto. She has completed executive and leadership training at Harvard Business School, Harvard Kennedy School of Government and the London Business School, and has held senior public policy and medical advisory roles at both the provincial and federal levels in Canada, and both the state and federal levels in the United States of America. She has served on the Boards of Directors of national and provincial non-profit organizations dedicated to child and youth health, mental health, and medical research. She has published extensively on the intersection of regulatory affairs and clinical practice, health system sustainability, public health surveillance, drug safety, drug access and patient outcomes, with her work featured in leading national and international medical and public policy journals. Dr. Moore Hepburn has served as a member of the Corporation's Compensation Committee since August 2023.

Wayne Brownlee, Director

Mr. Brownlee was Executive Vice President and Chief Financial Officer of both Potash Corp and Nutrien. He joined Potash Corp when it was a Crown corporation and was a catalyst for the expansion and strategic development throughout its acquisition activity. Mr. Brownlee spearheaded PotashCorp's privatization, transforming it into a publicly traded company and enabling its access to capital markets. In 2018, he played a key role in the merger of Potash Corp and Agrium Inc., forming Nutrien, the world's largest provider of crop inputs. As Nutrien's CFO, Brownlee oversaw finance functions and managed multi-billion-dollar divestments in prominent international potash producers. Mr. Brownlee has served as a member of the Corporation's Audit Committee and Governance and Nominating Committee since August 2023.

Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation and except as described below, none of the persons nominated for election as directors at the Meeting: (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that: (i) was subject to an cease trade or similar order or an order that denied that company access to any exemptions under applicable securities legislations for a period of more than 30 consecutive days (an "Order") that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person 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; (b) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, 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; or (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

Mr. Hoyt was a director of CanniMed, Mr. Knowles was the CFO and a director of CanniMed, and Mr. Zettl was the chief executive officer and a director of CanniMed in 2017. On December 22, 2017, the Ontario Securities Commission and the Saskatchewan Financial and Consumer Affairs Authority, issued an order which, among other things, cease traded a shareholder rights plan adopted by the board of directors of CanniMed in response to an unsolicited take-over bid by Aurora Cannabis, Inc. ("**Aurora**"). The cease trade order only related to the shareholder rights plan and did not relate to CanniMed Therapeutics' shares. On January 24, 2018, CanniMed and Aurora entered into a support agreement, and Aurora acquired CanniMed effective March 12, 2018.

Penalties or Sanctions

To the knowledge of management of the Corporation, none of the proposed directors has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulating authority that would be likely to be considered important to a reasonable investor making an investment decision.

Majority Voting Policy

The Corporation has adopted a Majority Voting Policy (the “**Majority Voting Policy**”) for director elections that applies at this Meeting and at any meeting of the Corporation’s Shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation as a director to the Chair of the Board promptly following the applicable shareholders’ meeting. Following receipt of the resignation, the Corporate Governance and Nominating Committee will consider whether or not to accept the offer of resignation and make a recommendation to the Board. Within 90 days following the applicable shareholders’ meeting, the Board shall publicly disclose their decision whether or not to accept the applicable director’s resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board or the Corporate Governance and Nominating Committee at which the resignation is considered. A copy of the Majority Voting Policy is available on the Corporation’s website at www.zyus.com.

REAPPOINTMENT AND REMUNERATION OF AUDITORS

At the Meeting, the Board proposes to appoint KPMG, LLP of 500, 475 - 2nd Avenue South Saskatoon, SK S7K 1P4, Canada (“**KPMG**”), as auditors of the Corporation and to authorize remuneration to be fixed by the Board. KPMG will hold office until the next annual general meeting of the Shareholders or until its successor is appointed. KPMG were first appointed as the auditors of the Corporation on June 9, 2023.

The Board recommends that Shareholders vote in favour of the appointment of KPMG as auditors of the Corporation. In the absence of contrary instructions, the Management Representatives named in the accompanying Proxy intend to vote any Common Shares represented by such Proxies FOR the re-appointment of KPMG as auditors of the Corporation for the ensuing year and to authorize the Board to fix their remuneration.

RATIFICATION, CONFIRMATION AND APPROVAL OF OMNIBUS EQUITY COMPENSATION PLAN

At the special meeting of Shareholders of the Corporation held on April 27, 2023, the Shareholders approved the Plan, which has an effective date of June 9, 2023 and which reserves a rolling maximum of 10% of the number of Common Shares issued and outstanding on the applicable date of grant. As the Plan is a rolling plan, under the policy of the TSX Venture Exchange (“**TSXV**”), the Plan must be presented to Shareholders for approval by ordinary resolution at every annual general meeting of the Corporation to authorize continuation of the Plan. As at the date of this Circular, the Corporation had 70,847,396 Common Shares issued and outstanding so that a maximum of 7,084,739 Common Shares would be available for issuance pursuant to share-based awards granted under the Plan.

It is proposed that Shareholders approve, by ordinary resolution, the following:

“BE IT RESOLVED THAT:

1. The Plan, pursuant to which the Board of Directors may, from time to time, authorize the issuance of share-based awards of the Corporation to acquire Common Shares of the Corporation in accordance with the Plan to a maximum of 10% of the issued and outstanding Common Shares at the time of grant, be and is hereby authorized and approved; and

2. any one Director or Officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

The persons named in the Proxy intend to vote FOR the resolution ratifying, confirming and approving the Plan, including increasing the number of Common Shares reserved under the Corporation’s Omnibus Equity Compensation Plan in the absence of directions to the contrary from the Shareholders appointing them. This resolution can be approved by a simple majority of Shareholders voting at the Meeting. No shareholders are excluded from voting on this resolution.

OTHER MATTERS

Management of the Corporation is not aware of any amendment, variation, or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion describes the significant elements of ZYUS' policies and practices with respect to the compensation of the Corporation's Named Executive Officers ("**NEOs**") for the financial years ended December 31, 2022 and December 31, 2023, namely: Brent Zettl (President, Corporate Secretary, Chief Executive Officer and Director), John Hyshka (Chief Financial Officer), Keith Carpenter (Chief Strategy and Investment Officer), Lionel Marks de Chabris (Chief Medical Officer) and Michelle Gursky (Vice-President, Legal), as well as Charlotte Hepburn (the former Chief Executive Officer, prior to the closing of the reverse take over transaction with ZYUS Life Sciences Inc. (the "**RTO**")) and Michael Kindy (the former Chief Financial Officer prior to the closing of the RTO).

Executive Compensation Overview

To achieve ZYUS' business and financial objectives, ZYUS needs to attract, retain and motivate a highly talented team of executive officers. We expect ZYUS' team to possess and demonstrate strong leadership and management capabilities and have designed the Corporation's executive compensation program to achieve the following goals and objectives:

- provide compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers;
- motivate ZYUS' executive officers to achieve ZYUS' business and financial objectives;
- align the interests of ZYUS' executive officers with those of ZYUS' shareholders by providing that a portion of compensation will reflect the long-term value and growth of ZYUS' business; and
- provide incentives that encourage appropriate levels of risk-taking by ZYUS' executive officers and provide a strong pay-for-performance relationship.

We offer ZYUS' executive officers cash compensation in the form of base salary and an annual bonus, as well as equity-based compensation. The Corporation has adopted an Omnibus Equity Incentive Plan, which facilitates the award of equity-based compensation in the form of stock options, performance share units ("**PSUs**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**") or other share-based awards. ZYUS also engaged Mercer Canada to evaluate ZYUS' compensation practices.

Executive Compensation-Setting Process

The Corporation's compensation committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to compensation policies and practices. The compensation committee also ensures that compensation policies and practices provide an appropriate balance of risk and reward consistent with ZYUS' risk profile. The committee also sets objectives, evaluates performance, and assesses whether total compensation paid to NEOs is fair, reasonable and consistent with the goals and objectives of the Corporation's compensation program. The compensation committee meets at least annually to review the compensation program and make recommendations to the Board as appropriate.

Risk and Executive Compensation

In reviewing the Corporation's compensation policies and practices each year, the compensation committee seeks to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Corporation. The compensation committee also seeks to ensure the Corporation's compensation practices do not encourage unnecessary or inappropriate risk-taking behaviour by the executive team.

Trading Restrictions

All of the Corporation's executive officers, including the NEOs, directors and employees are subject to the Corporation's insider trading policy, which prohibits trading in the Corporation's securities while in possession of material undisclosed information about the Corporation. Under this policy, such individuals are also prohibited from entering into certain types of hedging transactions involving ZYUS' securities, such as short sales, puts and calls. Furthermore, the Corporation permits ZYUS' executive officers, including the NEOs, to trade in ZYUS' securities, including the exercise of options, only during prescribed trading windows.

Clawback Policy

The Corporation has adopted ZYUS' clawback policy relating to annual bonus payments and long-term incentive awards to executive officers, including the NEOs, that may be triggered if an executive officer engages in misconduct that results in the need to restate ZYUS' financial statements or in the event of an accounting restatement of ZYUS' financial statements as a result of significant non-compliance with financial reporting requirements under applicable laws, rules and regulations, in each case where the individual received an award calculated on the achievement of those financial statements and the award received would have been lower had the financial statements been properly reported.

Principal Elements of Compensation

Compensation of the Corporation's NEOs includes three major elements: (i) base salary; (ii) an annual bonus; and (iii) long-term equity incentives, consisting of stock options, PSUs and/or RSUs granted from time to time under the Corporation's Omnibus Equity Incentive Plan. Perquisites and personal benefits are not expected to be a significant element of compensation of the Corporation's executive officers.

Base Salaries

Base salary is provided as a fixed source of compensation for the Corporation's executive officers. Base salaries are determined on an individual basis taking into account the scope of the executive officer's responsibilities and their prior experience. Base salaries are reviewed annually by the Board and may be increased based on the NEO's success in meeting or exceeding individual objectives, as well as to maintain market competitiveness. In addition, adjustments to base salaries are reviewed annually by the Board and as warranted throughout the year to reflect promotions or other changes in the scope of breadth of an executive officer's role or responsibilities, as well as to maintain market competitiveness.

Annual Bonuses

Annual bonuses are designed to motivate ZYUS' executive officers to meet the Corporation's business and financial objectives generally and annual financial performance targets in particular. Annual bonus targets are set as a percentage of the relevant executive officer's base salary, which varies based on his or her position and are set based on performance targets achieved. Individual annual bonus payouts are higher or lower than the target amount depending on the level of achievement of the applicable performance targets, measured against a detailed scorecard, which will include more heavily weighted corporate and leadership objectives, as well as personal objectives. The Corporation intends to make annual bonus payments in cash. Bonus payments are expected to be determined by the Corporation's Board on the recommendation of the compensation committee.

Long Term Incentive Compensation

Long-term incentive compensation awards are used to provide continual motivation for NEOs to achieve the Corporation's business and financial objectives, and also align their interests with the long-term interests of the Corporation's shareholders. Long-term incentive compensation are provided under the Omnibus Equity Incentive Plan, which is described below in "*SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION – Omnibus Equity Incentive Plan*".

Pension Plan Benefits

The Corporation does not have any pension or retirement plan in place.

Management Contracts

Employment Agreements, Termination and Change of Control Benefits

The Corporation has entered into employment agreements with each of its currently employed NEOs. These employment agreements provide the NEOs with the following rights on termination and change of control:

- *Brent Zettl* – Upon termination without “cause” (as such term is defined in his employment agreement), Mr. Zettl will be entitled to a lump sum cash payment equal to the sum of (i) six months base salary plus one month of base salary per year of service up to a maximum of eighteen months in lieu of notice of termination and inclusive of the Mr. Zettl’s entitlement to termination pay under the *Saskatchewan Employment Act* and (ii) ten percent of Mr. Zettl’s base salary. Mr. Zettl will also be entitled to a continuation of his employee benefits for a period of time, and reasonable executive outplacement services up to a maximum of \$5,000 for a period of up to twelve months. In the event that there is a “change of control” (as such term is defined in his employment agreement) and within twelve months Mr. Zettl’s employment is terminated without cause or terminated by Mr. Zettl for “good reason” (as such term is defined in his employment agreement), Mr. Zettl will be entitled to a lump sum cash payment equal to eighteen months base salary in lieu of notice of termination, continuation of his employee benefits for a period of eighteen months, a lump sum payment equal to Mr. Zettl’s full bonus in the year in which the termination occurs, and reasonable outplacement services up to a maximum of \$5,000 for a period of up to twelve months. Notwithstanding the foregoing, while ZYUS is listed on the TSXV, the aggregate maximum amount of compensation payable to or received by Mr. Zettl upon termination of employment shall not, in any event, exceed an amount equal to twenty-four months of Mr. Zettl’s gross annual base salary.

Pursuant to his employment agreement, Mr. Zettl is also subject to non-competition and non-solicitation provisions for a period of six months after termination of his employment with Corporation for whatever cause.

- *John Hyshka*– Upon termination without “cause” (as such term is defined in his employment agreement), Mr. Hyshka is entitled to a lump sum cash payment equal to the sum of (i) six months base salary plus one month of base salary per year of service up to a maximum of twelve months in lieu of notice of termination and inclusive of Mr. Hyshka’s entitlement to termination and severance pay under the *Employment Standards Act* and (ii) ten percent of Mr. Hyshka’s base salary. Mr. Hyshka will also be entitled to a continuation of his employee benefits for the period matching his cash payment stated in (i), and reasonable executive outplacement services up to a maximum of \$3,000 for a period of up to twelve months. In the event that there is a “change of control” (as such term is defined in his employment agreement) and within twelve months of such change of control Mr. Hyshka’s employment is terminated without cause or terminated by Mr. Hyshka for “good reason” (as such term is defined in his employment agreement), Mr. Hyshka will be entitled to a lump sum cash payment equal to twelve months base salary in lieu of notice of termination, continuation of his employee benefits for a period of twelve months, a lump sum payment equal to Mr. Hyshka’s bonus (pro-rated for the year in which the termination occurs), and reasonable outplacement services up to a maximum of \$3,000 for a period of up to twelve months.

Pursuant to his employment agreement, Mr. Hyshka is also subject to non-competition and non-solicitation provisions for a period of six months after termination of his employment with Corporation for whatever cause.

- *Keith Carpenter* – Upon termination without “cause” (as such term is defined in his employment agreement), Mr. Carpenter is entitled to a lump sum cash payment equal to the sum of (i) six months base salary plus one month of base salary per year of service up to a maximum of twelve months in

lieu of notice of termination and inclusive of Mr. Carpenter's entitlement to termination and severance pay under the *Employment Standards Act* and (ii) ten percent of Mr. Carpenter's base salary. Mr. Carpenter will also be entitled to a continuation of his employee benefits for the period matching his cash payment stated in (i), and reasonable executive outplacement services up to a maximum of \$3,000 for a period of up to twelve months. In the event that there is a "change of control" (as such term is defined in his employment agreement) and within twelve months of such change of control Mr. Carpenter's employment is terminated without cause or terminated by Mr. Carpenter for "good reason" (as such term is defined in his employment agreement), Mr. Carpenter will be entitled to a lump sum cash payment equal to twelve months base salary in lieu of notice of termination, continuation of his employee benefits for a period of twelve months, a lump sum payment equal to Mr. Carpenter's bonus (pro-rated for the year in which the termination occurs), and reasonable outplacement services up to a maximum of \$3,000 for a period of up to twelve months.

Pursuant to his employment agreement, Mr. Carpenter is also subject to non-competition and non-solicitation provisions for a period of six months after termination of his employment with Corporation for whatever cause.

- *Dr. Lionel Marks de Chabris* – Upon termination without "cause" (as such term is defined in his employment agreement), Dr. Marks de Chabris is entitled to a lump sum cash payment equal to the sum of (i) six months base salary plus one month of base salary per year of service up to a maximum of twelve months in lieu of notice of termination and inclusive of Dr. Marks de Chabris' entitlement to termination and severance pay under the *Employment Standards Act* and (ii) ten percent of Mr. Marks de Chabris' base salary. Mr. Marks de Chabris will also be entitled to a continuation of his employee benefits for the period matching his cash payment stated in (i), and reasonable executive outplacement services up to a maximum of \$3,000 for a period of up to twelve months. In the event that there is a "change of control" (as such term is defined in his employment agreement) and within twelve months of such change of control Dr. Marks de Chabris' employment is terminated without cause or terminated by Dr. Marks de Chabris for "good reason" (as such term is defined in his employment agreement), Dr. Marks de Chabris will be entitled to a lump sum cash payment equal to twelve months base salary in lieu of notice of termination, continuation of his employee benefits for a period of 12 months and reasonable outplacement services up to a maximum of \$3,000 for a period of up to twelve months.

Pursuant to his employment agreement, Dr. Marks de Chabris is also subject to non-competition and non-solicitation provisions for a period of six months after termination of his employment with Corporation for whatever cause.

- *Michelle Gursky* – Ms. Gursky is employed by the Corporation's wholly owned subsidiary, ZYUS Life Sciences Inc. Upon termination without "cause" (as such term is defined in her employment agreement), Ms. Gursky is entitled to a lump sum cash payment equal to the sum of (i) three months base salary plus one month of base salary per year of service up to a maximum of twelve months in lieu of notice of termination and inclusive of Ms. Gursky's entitlement to termination and severance pay under the *Saskatchewan Employment Act* and (ii) five percent of Ms. Gursky's base salary. Ms. Gursky will also be entitled to a continuation of her employee benefits for the period matching her cash payment stated in (i), and reasonable executive outplacement services up to a maximum of \$3,000 for a period of up to twelve months. In the event that there is a "change of control" (as such term is defined in her employment agreement) and within twelve months of such change of control Ms. Gursky's employment is terminated without cause or terminated by Ms. Gursky for "good reason" (as such term is defined in her employment agreement), Ms. Gursky will be entitled to a lump sum cash payment equal to twelve months base salary in lieu of notice of termination, continuation of her employee benefits for a period of twelve months, a lump sum payment equal to Ms. Gursky's bonus (pro-rated for the year in which the termination occurs), and reasonable outplacement services up to a maximum of \$3,000 for a period of up to twelve months.

Pursuant to her employment agreement, Ms. Gursky is also subject to non-competition and non-solicitation provisions for a period of six months after termination of her employment with Corporation for whatever cause.

- **Scott Livingstone** – Mr. Livingstone is employed by the Corporation’s wholly owned subsidiary, ZYUS Life Sciences Inc. Upon termination without “cause” (as such term is defined in his employment agreement), Mr. Livingstone is entitled to a lump sum cash payment equal to the sum of (i) three months base salary plus one month of base salary per year of service up to a maximum of twelve months in lieu of notice of termination and inclusive of Mr. Livingstone’s entitlement to termination and severance pay under the *Saskatchewan Employment Act* and (ii) five percent of Mr. Livingstone’s base salary. Mr. Livingstone will also be entitled to a continuation of his employee benefits for the period matching her cash payment stated in (i), and reasonable executive outplacement services up to a maximum of \$3,000 for a period of up to twelve months. In the event that there is a “change of control” (as such term is defined in his employment agreement) and within twelve months of such change of control Mr. Livingstone’s employment is terminated without cause or terminated by Mr. Livingstone for “good reason” (as such term is defined in his employment agreement), Mr. Livingstone will be entitled to a lump sum cash payment equal to twelve months base salary in lieu of notice of termination, continuation of his employee benefits for a period of twelve months, a lump sum payment equal to Mr. Livingstone’s bonus (pro-rated for the year in which the termination occurs), and reasonable outplacement services up to a maximum of \$3,000 for a period of up to twelve months.

Pursuant to his employment agreement, Mr. Livingstone is also subject to non-competition and non-solicitation provisions for a period of six months after termination of his employment with Corporation for whatever cause.

Named Executive Officer Compensation Summary

The following table sets forth information about the compensation paid by the Corporation to the Named Executive Officers (“NEOs”) of the Corporation for the financial years ended December 31, 2023 and December 31, 2022.

Name and Principal Position	Year	Fees/Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$) ⁽⁸⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁵⁾		Pension Value (\$)	All Other Compensation (Consulting Fees) (\$) ⁽⁶⁾	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long Term Incentive Plans (\$)			
Brent Zettl, President, Corporate Secretary and Chief Executive Officer ⁽¹⁾	2023	325,000	Nil	Nil	Nil	Nil	Nil	11,979	336,979
	2022	325,000	Nil	Nil	58,600	Nil	Nil	10,938	394,538
Dr. Charlotte Moore Hepburn Former Chief Executive Officer ⁽¹⁾⁽²⁾	2023	44,096 ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	44,096
	2022	110,516	Nil	Nil	Nil	Nil	Nil	Nil	110,516
Michael D. Kindy Former Chief Financial Officer ⁽⁹³⁾	2023	45,425	Nil	Nil	Nil	Nil	Nil	Nil	45,425
	2022	152,424	Nil	Nil	Nil	Nil	Nil	Nil	152,424
John Hyshka,	2023	275,000	Nil	83,729	Nil	Nil	Nil	Nil	358,729

Chief Financial Officer	2022	229,973	Nil	Nil	Nil	Nil	Nil	Nil	229,973
Keith Carpenter, Chief Strategy and Investment Officer	2023	267,000	Nil	8,695	60,874	Nil	Nil	9,848	346,417
	2022	267,000	Nil	Nil	Nil	Nil	Nil	8,985	275,985
Dr. Lionel Marks de Chabris, Chief Medical Officer	2023	212,000	Nil	5,797	Nil	Nil	Nil	7,705	225,502
	2022	212,000	Nil	Nil	Nil	Nil	Nil	7,135	219,135
Michelle Gursky, Vice President of Legal Affairs ⁽⁴⁾	2023	207,000	Nil	17,066	Nil	Nil	Nil	7,629	231,695
	2022	207,000	Nil	Nil	41,600	Nil	Nil	6,966	255,566

Notes:

- (1) Brent Zettl's and Dr. Charlotte Moore's compensation was received solely in their capacity as officers and not in their capacity as directors.
- (2) Dr. Charlotte Moore Hepburn resigned as CEO of the Corporation on June 9, 2023, upon closing of the RTO.
- (3) Michael Kindy resigned as CFO of the Corporation on June 9, 2023, upon closing of the RTO.
- (4) Michelle Gursky is employed by the Corporation's wholly owned subsidiary, ZYUS Life Science Inc.
- (5) Non-Equity Incentive Plan Compensation listed above for above-noted individuals is awarded based on annual key performance indicators and personal performance objectives.
- (6) Represents the Company's matching portion to a DPSP plan.
- (7) Dr. Hepburn received \$15,250 in connection with her services as a director for the period, which is also disclosed under the table "Director Compensation Summary" below.
- (8) Represents the Black-Scholes value of the option based awards during the current year.

NEO Outstanding Share-Based and Option-Based Awards at Fiscal Year-End

The following sets forth information regarding all outstanding share-based and option-based awards granted to the NEOs and which were outstanding at December 31, 2023:

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 Common Shares or Units of Common Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$) ⁽²⁾	Market or Payout Value vested Share-Based Awards not paid out of distributed (\$)
Dr. Charlotte Moore Hepburn	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael D. Kindy	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brent Zettl	493,108 ⁽²⁾	1.42	August 31, 2028	Nil	Nil	Nil	Nil
John Hyshka	400,000 ⁽³⁾	1.45	November 28, 2028	Nil	Nil	Nil	Nil

Keith Carpenter	246,554 ⁽⁴⁾	1.42	August 31, 2028	Nil	Nil	Nil	Nil
	75,000 ⁽⁵⁾	1.45	November 28, 2028				
Dr. Lionel Marks de Chabris	70,444 ⁽⁶⁾	7.86	December 5, 2029	Nil	Nil	Nil	Nil
	50,000 ⁽⁷⁾	1.45	November 28, 2028				
Michelle Gursky ⁽¹⁾	123,277 ⁽⁸⁾	1.42	August 31, 2028	Nil	Nil	Nil	Nil
	7,044 ⁽⁹⁾	5.32	May 19, 2026				
	100,000 ⁽¹⁰⁾	1.45	November 28, 2028				

Notes:

- (1) Michelle Gursky is employed by the Corporation's wholly owned subsidiary, ZYUS Life Science Inc.
- (2) All of these stock options had vested as at December 31, 2023.
- (3) 200,000 of these stock options had vested as at December 31, 2023; 66,000 stock options will vest on November 28, 2024, 67,000 stock options will vest November 28, 2025; 67,000 stock options will vest November 28, 2026.
- (4) All of these stock options had vested as at December 31, 2023.
- (5) 18,750 of these stock options had vested as at December 31, 2023; 18,750 stock options will vest on November 28, 2024, 18,750 stock options will vest November 28, 2025; 18,750 stock options will vest November 28, 2026.
- (6) All of these stock options had vested as at December 31, 2023.
- (7) 12,500 of these stock options had vested as at December 31, 2023; 12,500 stock options will vest on November 28, 2024, 12,500 stock options will vest November 28, 2025; 12,500 stock options will vest November 28, 2026.
- (8) All of these stock options had vested as at December 31, 2023.
- (9) 4,696 of these stock options had vested as at December 31, 2023; 2,348 stock options will vest on May 19, 2024.
- (10) 25,000 of these stock options had vested as at December 31, 2023; 25,000 stock options will vest on November 28, 2024, 25,000 stock options will vest November 28, 2025; 25,000 stock options will vest November 28, 2026.
- (11) The "Value of Unexercised In-The-Money Options" is calculated based on the difference between the closing price of \$0.90 for the Common Shares on the TSXV on the last trading day of the year ended December 31, 2023 and the exercise price of the Options, multiplied by the number of unexercised Options.
- (12) The "Market or Payout Value of Share-Based Awards That Have Not Vested" is calculated based on the closing price of \$0.90 for the Common Shares on the TSSV on the last trading day of the year ended December 31, 2023 multiplied by the number of Common Shares that have not vested.

NEO Value Vested or Earned by Named Executive Officers During the Year Ended December 31, 2023 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by NEOs in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended December 31, 2023.

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 (\$)
Dr. Charlotte Moore Hepburn	Nil	Nil	Nil
Michael D. Kindy	Nil	Nil	Nil
Brent Zettl	Nil	Nil	Nil
John Hyshka	79,242	Nil	Nil
Keith Carpenter	7,429	Nil	Nil
Dr. Lionel Marks de Chabris	4,953	Nil	Nil

Michelle Gursky	9,905	Nil	Nil
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Notes:

(1) The exercise price of the options granted during the year was equal to or in excess of the market price of the Common Shares on the date the options were granted and, accordingly, the value vested or earned is nil.

Director Compensation

The Corporation's policy with respect to directors' compensation was developed by Management and approved by the Board, to be managed and refined in the future, as necessary, by the Compensation Committee. Directors of the Corporation who are also officers or employees of the Corporation are not compensated for their service on the Board. Mr. Zettl and Dr. Moore Hepburn were directors and NEOs during the year ended December 31, 2023. Compensation of the Corporation's independent directors is provided in the form of annual retainers, which are payable in cash and stock options under the Corporation's Omnibus Equity Incentive Plan, as follows:

	Annual Retainer Earned (\$)
Board Member	60,750
Board Chair	12,500
Committee Chair	7,000

Director Compensation Summary

The following table sets forth information in respect of all amounts of compensation paid by the Corporation to its directors (other than directors who are also NEOs) for the financial year ended December 31, 2023.

Name	Year	Fees earned (\$)	Share based awards (\$)	Option based awards (\$) ⁽⁵⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Richard Hoyt	2023	34,750 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	34,750
John Knowles	2023	22,250 ⁽²⁾	Nil	Nil	Nil	Nil	Nil	22,250
Garnette Weber	2023	22,250 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	22,250
Dr. Charlotte Moore Hepburn	2023	9,150	Nil	Nil	Nil	Nil	Nil	9,150
Wayne Brownlee	2023	5,411 ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	5,411
Charles Burns ⁽⁷⁾	2023	5,500	Nil	Nil	Nil	Nil	Nil	5,500
Michael Detlefsen ⁽⁷⁾	2023	6,215	Nil	Nil	Nil	Nil	Nil	6,215
William Alexander ⁽⁷⁾ Mills	2023	2,000	Nil	Nil	Nil	Nil	Nil	2,000

Greg Nuttall ⁽⁷⁾	2023	3,500	Nil	Nil	Nil	Nil	Nil	3,500
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Notes:

- (1) Mr. Hoyt served as Chair of the Corporation's Board and Chair of the Governance and Nominating Committee.
(2) Mr. Knowles served as Chair of the Corporation's Audit Committee.
(3) Ms. Weber served as Chair of the Corporation's Compensation Committee.
(4) Dr. Moore Hepburn's fees for her services as director are also disclosed in the "Named Executive Compensation Summary" table above.
(5) Mr. Brownlee was appointed to the Board on August 23, 2023.
(6) As at the date of this Circular, the Corporation has not yet issued option-based awards to its directors as part of their respective annual retainers related to the 2023/2024 term. The Corporation intends to issue the 2023/2024 equity awards to directors prior to expiration of the current term and in accordance with the Corporation's Omnibus Equity Compensation Plan.
(7) Mr. Burns, Mr. Detlefsen, Mr. Alexander and Mr. Nuttall each resigned as directors of the Corporation on June 9, 2023, upon closing of the RTO.

Director Outstanding Share-Based and Option-Based Awards at Fiscal Year-End

The following sets forth information regarding all outstanding share-based and option-based awards granted by the Corporation to its directors (other than directors who are also NEOs) and which were outstanding at December 31, 2023:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽²⁾	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$) ⁽³⁾	Market or Payout Value vested Share-Based Awards not paid out of distributed (\$)
Richard Hoyt	12,618	5.32	November 12, 2025	Nil	Nil	Nil	Nil
John Knowles	12,618	5.32	November 12, 2025	Nil	Nil	Nil	Nil
Garnette Weber	4,597	5.32	December 17, 2025	Nil	Nil	Nil	Nil
Dr. Charlotte Moore Hepburn	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Wayne Brownlee	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Charles Burns ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Detlefsen ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Alexander ⁽⁴⁾ Mills	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Greg Nuttall ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) As at the date of this Circular, the Corporation has not yet issued option based awards to its directors as part of their respective annual retainers related to the 2023/2024 term. The Corporation intends to issue the 2023/2024 equity awards to directors prior to expiration of the current term and in accordance with the Corporation's Omnibus Equity Compensation Plan.

- (2) The “Value of Unexercised In-The-Money Options” is calculated based on the difference between the closing price of \$0.90 for the Common Shares on the TSXV on the last trading day of the year ended December 31, 2023 and the exercise price of the Options, multiplied by the number of unexercised Options.
- (3) The “Market or Payout Value of Share-Based Awards That Have Not Vested” is calculated based on the closing price of \$0.90 for the Common Shares on the TSSV on the last trading day of the year ended December 31, 2023 multiplied by the number of Common Shares that have not vested.
- (4) Mr. Burns, Mr. Detlefsen, Mr. Alexander and Mr. Nuttall each resigned as directors of the Corporation on June 9, 2023, upon closing of the RTO.

Compensation Advisors

As part of the annual review process, the Compensation Committee has engaged Mercer Canada (“**Mercer**”) as an independent compensation consultant to develop an appropriate executive and director compensation peer group and evaluate the Corporation’s compensation programs. The following criteria was used to select the executive and director compensation peer group:

- the size of the Corporation relative to the peer companies;
- the industries in which the Corporation competes for talent;
- a broad sample size, which reduces potential volatility in the data;
- the geographic breadth of the Corporation’s business operations; and,
- the ownership structure of the Corporation.

Based on the selection criteria, the executive and director peer group recommended by Mercer and approved by the Corporation’s Board of Directors consists of the following seventeen companies:

BioNxt Solutions Inc.	Avicanna Inc.
Corbus Pharmaceuticals Holdings, Inc.	Lexaria Bioscience Corp.
Mind Medicine (MindMed) Inc.	IGC Pharma, Inc.
Aquestive Therapeutics, Inc.	PharmaCyte Biotech, Inc.
Cybin Inc.	MIRA Pharmaceuticals, Inc.
Anebulo Pharmaceuticals, Inc.	Titan Pharmaceuticals, Inc.
Cardiol Therapeutics Inc.	Palisade Bio Inc.
InnoCan Pharma Corporation	Antibe Therapeutics Inc.

Under the terms of its engagement, Mercer has been asked to benchmark each named executive position and the Corporation’s board of directors against similar positions in the peer group and targeted total direct compensation within a competitive range of the market median. Guided by the independent consultant, the Corporation’s Compensation Committee intends to use the peer group as an initial reference point for determining executive and director compensation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

Equity Compensation Plan Information

The following table provides details of compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans⁽¹⁾
Equity compensation plans approved by security holders	3,762,016	\$1.75	3,322,723
Equity compensation plans not approved by security holders	Nil	N/A	Nil
TOTAL	3,762,016	\$1.75	3,322,723

Notes:

- (1) Based on 70,847,396 Common Shares issued and outstanding as of December 31, 2023. The maximum aggregate number of Common Shares that may be reserved for issuance under the Plan is equal to 10% of the issued and outstanding Common Shares at the time of the option grant.

Omnibus Equity Incentive Plan

The Omnibus Equity Incentive Plan is administered by the Corporation's Board. The Board has the authority to interpret the Omnibus Equity Incentive Plan, including in respect of any award granted thereunder. The Omnibus Equity Incentive Plan permits the Board to make future awards of options, RSUs, PSUs, DSUs or other share-based awards to eligible participants.

Common Shares Subject to the Omnibus Equity Incentive Plan

The Omnibus Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the Omnibus Equity Incentive Plan (together with awards under other security-based compensation arrangements, including under the ZYUS Option Plan and the Phoenix Option Plan) may not exceed 10% of the issued and outstanding Common Shares from time to time, such number being 7,084,739 as at the date of this Circular. The Omnibus Equity Incentive Plan is considered an “evergreen” plan, since the Corporation Common Shares covered by awards which have been exercised, settled or terminated are available for subsequent grants under the Omnibus Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Common Shares increases.

Outstanding Securities Awarded

As of the date of this Circular, the total number of Common Shares issuable upon exercise of any awards granted under the Omnibus Equity Incentive Plan is 3,616,028¹ (the “**Outstanding Options**”, representing approximately 5% of the Common Shares outstanding). This assumes that each outstanding Option (defined below) is redeemed for Common Shares.

Remaining Securities Available for Grant

As of the date of this Circular, the number of Common Shares available for issuance pursuant to future award granted under the Omnibus Equity Incentive Plan is 3,468,711 Common Shares (representing approximately 5% of the Common Shares outstanding).

Insider Participation Limit

The Omnibus Equity Incentive Plan also provides that the maximum aggregate number of Corporation Common Shares (a) issuable to insiders at any time (under all of the Corporation's security-based compensation arrangements) cannot exceed 10% of the Corporation's issued and outstanding Corporation Common Shares; and (b) issued to insiders within any one year period (under all of the Corporation's security-based compensation arrangements) cannot exceed 10% of the Corporation's issued and outstanding Common Shares.

Administration of the Omnibus Equity Incentive Plan

The Plan Administrator (as defined in the Omnibus Equity Incentive Plan) is the Corporation's Board. To the extent permitted by applicable law, administration of the Omnibus Equity Incentive Plan may in the future be delegated to a committee of the Board, which may in turn sub delegate certain matters to any member of the committee or an officer of the Corporation or its subsidiaries. The Plan Administrator determines which individuals to whom grants under the Omnibus Equity Incentive Plan may be made, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Corporation, the number of Common Shares to be covered by any award, the price, if any, to be paid by a participant in

¹ As of the date of this Circular, the Corporation's Board has also approved the issuance of 200,000 *Options to certain employees pursuant to the Omnibus Equity Compensation Plan*; these options have not yet been granted as of the date of this Circular. In addition to the *Outstanding Options*, the Corporation's Board has also approved the issuance of \$100,000 worth of *Options to the Corporation's Clinical Advisory Committee pursuant to the Omnibus Equity Compensation Plan*, with the number of *Options* issued being determined using the *Black-Scholes option pricing model based on data available at the end of the trading day on the date proposed for issuance*; these options have not yet been granted as of the date of this Circular.

connection with the purchase of Common Shares covered by any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator establishes the form or forms of award agreements, may cancel, amend, adjust or otherwise change any award under such circumstances as the Plan Administrator may consider appropriate, interprets the Omnibus Equity Incentive Plan, may adopt, amend, prescribe and rescind guidelines and other rules and regulations relating to the Omnibus Equity Incentive Plan, and makes all other determinations and takes all other actions necessary or advisable for the implementation and administration of the Omnibus Equity Incentive Plan.

Eligibility

All directors, employees and consultants of the Corporation and its subsidiaries (collectively, “**Participants**”) are eligible to participate in the Omnibus Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Omnibus Equity Incentive Plan is determined in the sole and absolute discretion of the Plan Administrator.

Types of Awards

Awards of stock options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”), deferred share units (“**DSUs**”) or other share-based awards may be made under the Omnibus Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Omnibus Equity Incentive Plan, and are generally evidenced by an award agreement. In addition, subject to the limitations provided in the Omnibus Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

Options (“**Options**”)

An Option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Plan Administrator establishes the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the volume weighted average trading price of the Common Shares on the TSXV for the five trading days immediately preceding the date of grant (for the purposes of this section, the “**Market Price**”). Subject to any accelerated termination as set forth in the Omnibus Equity Incentive Plan, each Option expires on its respective expiry date. The Plan Administrator has the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it remains vested and is exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Corporation or any of its subsidiaries and the Participant. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable, subject to certain requirements imposed by the TSXV. The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the Omnibus Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. A Participant may, if permitted by the Plan Administrator, elect to undertake a broker assisted “cashless exercise” process (a “**Cashless Exercise**”) under which in lieu of making a cash payment of the full purchase price of the shares underlying the Option (“**Option Shares**”), the Corporation will, pursuant to an arrangement with a brokerage firm, have the brokerage firm (i) loan money to the Participant to purchase the Option Shares (including all applicable required withholding obligations), (ii) then sell a sufficient number of the Option Shares

to cover the exercise price of the Option (including all applicable required withholding obligations contemplated) in order to repay the loan made to the Participant, and (iii) deliver the balance of the Option Shares to the Participant.

Restricted Share Units (“RSUs”)

An RSU is a unit equivalent in value to a Corporation common share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Corporation common share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Omnibus Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Omnibus Equity Incentive Plan is calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the greater of (i) the Market Price of a Corporation common share on the date of grant, and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986 (the “**Code**”), to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator and the provisions of the Omnibus Equity Incentive Plan and except as otherwise provided in an award agreement: (a) one fully paid and non-assessable Corporation Common Share issued from treasury in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any such cash payments made by the Corporation are calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Corporation common share as at the settlement date. Subject to the provisions of the Omnibus Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Corporation common share shall be issued, or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units (“PSUs”)

A PSU is a unit equivalent in value to a Corporation common share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Corporation common share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a Participant’s service and the amount of any payment or transfer to be made pursuant to any PSU is determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Omnibus Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator has the authority to determine any vesting terms applicable to the grant of PSUs, provided that the terms comply with Section 409A of the Code, to the extent applicable. Upon settlement, holders redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator and the provisions of the Omnibus Equity Incentive Plan and except as otherwise provided in an award agreement: (a) one fully paid and non-assessable Corporation common share issued from treasury in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash. Any such cash payments made by the Corporation to a Participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the Omnibus Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Corporation common share shall be issued,

or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Deferred Share Units (“DSUs”)

A DSU is a unit equivalent in value to a Corporation common share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Corporation common share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a director in a calendar year for service on the Board (the “**Director Fees**”) that are to be payable in the form of DSUs. In addition, each director is given, subject to the provisions of the Omnibus Equity Incentive Plan, the right to elect to receive a portion or all of the cash Director Fees owing to them in the form of DSUs.

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs include the right for such RSUs, PSUs and DSUs to be credited in accordance with the terms of the Omnibus Equity Incentive Plan with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares.

Black-out Periods

In the event an award expires at a time when a scheduled blackout is in place or a blackout is imposed as a result of an undisclosed material change or material fact in the Corporation’s affairs exists, the expiry of such award is the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Term

While the Omnibus Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where shareholder approval is received or where an expiry date would have fallen within a blackout period applicable to the Participant or within 10 business days following the expiry of such blackout period. All awards must vest and settle in accordance with the provisions of the Omnibus Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following describes the impact certain events have upon the Participants under the Omnibus Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a Participant’s applicable employment agreement, award agreement or other written agreement:

- **Termination for Cause / Resignation:** Any Option or other award held by the Participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the Omnibus Equity Incentive Plan) is immediately forfeited and cancelled as of the Termination Date.
- **Termination without Cause:** Any unvested Option or other award which would otherwise vest or become exercisable in accordance with its terms based solely on the Participant remaining in the service of the Corporation on or prior to the date that is 90 days after the Termination Date immediately vests. Any vested Options may be exercised by the Participant within the time period contemplated by the Omnibus Equity Incentive Plan.

- **Death or Disability:** Any award that is held by the Participant that has not vested as of the date of the death or Disability (as defined under the Omnibus Equity Incentive Plan) of such Participant vests on such date. Any vested Options may be exercised by the Participant within the time period contemplated by the Omnibus Equity Incentive Plan.
- **Retirement:** Any (i) outstanding award that vests or becomes exercisable based solely on the Participant remaining in the service of the Corporation or its subsidiary becomes 100% vested, and (ii) outstanding award that vests based on the achievement of Performance Goals (as defined in the Omnibus Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Options may be exercised by the Participant within the time period contemplated by the Omnibus Equity Incentive Plan.

Change in Control

Under the Omnibus Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Corporation or any of its subsidiaries and a Participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a Participant's employment, consultancy or directorship is terminated by the Corporation or any of the Corporation's subsidiaries without Cause (as defined in the Omnibus Equity Incentive Plan), without any action by the Plan Administrator:
 - (i) any unvested awards held by the Participant at the Termination Date shall immediately vest; and
 - (ii) any vested awards may be exercised, surrendered to us, or settled by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the TSXV, the Corporation may terminate all of the awards, other than an Option held by a Participant that is a resident of Canada for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), granted under the Omnibus Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably.

Subject to certain exceptions, a "**Change in Control**" includes: (a) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert acquires the direct or indirect "beneficial ownership" (as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*) of, or acquires the right to exercise control or direction over, the Corporation's securities representing more than 50% of the then issued and outstanding voting securities of the Corporation, (b) the sale, assignment or other transfer of all or substantially all of the Corporation's assets to a person other than a subsidiary of the Corporation, (c) the dissolution or liquidation of the Corporation other than in connection with the distribution of assets of the Corporation to one or more persons which were affiliates of the Corporation prior to such event, (d) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other person, (e) individuals who comprise the board of directors as of the date of the Omnibus Equity Incentive Plan (the "**Incumbent Board**") cease to constitute at least a majority of the board of directors, unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in

which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the board of directors determines to constitute a change in control of the Corporation.

Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a Participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death.

Amendments to the Omnibus Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Common Shares, amend, modify, change, suspend or terminate the Omnibus Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Omnibus Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Omnibus Equity Incentive Plan without the consent of such Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or TSXV requirements, and (b) any amendment that would cause an award held by a Participant who is subject to taxation under applicable U.S. tax laws to be subject to the income inclusion under Section 409A of the Code, shall be null and void *ab initio* with respect to the U.S. taxpayer unless the consent of the U.S. taxpayer is obtained.

Notwithstanding the above, and subject to the rules of the TSXV, the approval of the shareholders is required to affect any of the following amendments to the Omnibus Equity Incentive Plan:

- (a) increasing the percentage of Common Shares reserved for issuance under the Omnibus Equity Incentive Plan, except pursuant to the provisions in the Omnibus Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting us or the Corporation's capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an Option award (for this purpose, a cancellation or termination of an Option award of a Participant prior to its expiry date for the purpose of reissuing an Option award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award) except pursuant to the provisions in the Omnibus Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting us or the Corporation's capital;
- (d) extending the term of an Option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within 10 business days following the expiry of such a blackout period);
- (e) permitting an Option Award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (f) permitting awards to be transferred to a person;
- (g) in circumstances other than those specified in the Omnibus Equity Incentive Plan;

- (h) changing the eligible participants;
- (i) amending any of the termination provisions set out in Article 9 of the Omnibus Equity Incentive Plan; and
- (j) deleting or otherwise reducing the range of amendments which require approval of shareholders.

Except for the items listed above, amendments to the Omnibus Equity Incentive Plan do not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Corporation for the protection of the Participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the last fiscal year of the Corporation, none of the executive officers, directors or employees or any former executive officers, directors, or employees of the Corporation or any proposed nominee for election as a director of the Corporation or any of their respective associates is or has been indebted to the Corporation or its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit, or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than ten percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere herein or in the notes to the Corporation's Financial Statements for the financial year ended December 31, 2023, none of:

- (a) the Informed Persons of the Corporation;
- (b) the proposed Nominees for election as a director of the Corporation; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Corporation or in a proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators have issued corporate governance guidelines pursuant to National Policy 58-201 - *Corporate Governance Guidelines* (the "**Corporate Governance Guidelines**"), together with certain related disclosure requirements pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The Corporate Governance Guidelines are recommended as "best practices" for issuers to follow. Good corporate governance plays an important role in the Corporation's overall success and in enhancing shareholder value and, accordingly, the Corporation has adopted certain corporate

governance policies and practices which reflect the Corporation's consideration of the recommended Corporate Governance Guidelines.

The disclosure set out below includes disclosure required by NI 58-101 describing ZYUS' approach to corporate governance in relation to the Corporate Governance Guidelines.

Board of Directors

The Corporation's Board of Directors is responsible for supervising the management of the Corporation's business and affairs. The Board has adopted a formal mandate, attached hereto as Appendix A and governance guidelines (the "**Governance Guidelines**"), attached hereto as Appendix E.

As of the date of this Circular, the Board is comprised of 6 directors, including 5 independent directors. The Board is elected at each annual meeting of shareholders and serves until their successors are elected or appointed, unless their office is vacated earlier. The term of office for each of the directors expires at the time of ZYUS' next annual shareholders meeting. Under the OBCA, one quarter of the Corporation's directors must be resident Canadians, as defined in the OBCA, or where there are fewer than four directors, at least one director must be a resident Canadian. In addition, at least one quarter of the members of any committee of directors must be resident Canadians.

Director Independence

The Corporation's Board of Directors has undertaken a review of the independence of the directors and considered whether any director has a material relationship with the Corporation that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based on information provided by each director concerning his or her background, employment and affiliations, the Board of Directors has determined that John Knowles, Richard Hoyt, Dr. Charlotte Moore Hepburn, Garnette Weber and Wayne Brownlee representing 5 of the 6 members of the Corporation's Board of Directors, are "independent" as that term is defined by National Instrument 52-110 – Audit Committees ("**NI 52-110**"). In making these determinations, the Corporation's Board of Directors considered the current and prior relationships that each non-employee director has with the Corporation and all other facts and circumstances that the Corporation's Board of Directors deemed relevant in determining their independence. Mr. Zettl is considered to be non-independent by virtue of his management position and employment relationship with the Corporation. The Board believes, however, that his extensive knowledge of our business and affairs is beneficial to the other directors and that his participation as a director contributes to the effectiveness of the Board.

We have implemented processes to permit the Corporation's Board of Directors to function independently of management, including for purposes of encouraging an objective process for nominating directors and determining executive compensation. The Governance Guidelines also require that the independent members of our Board will consider, on the occasion of each meeting, whether an in camera meeting without the non-independent director and members of management would be appropriate and that they will hold an in camera meeting without the non-independent director and members of management where appropriate, with such in camera sessions being chaired by the Chairperson of the Board, or failing this person, the Chairperson of the Audit Committee.

Other Directorships

The following directors of the Corporation are also a director of other reporting issuers:

Director	Name of Other Reporting Issuer and Exchange
Wayne Brownlee	Gensource Potash Corp (TSXV)

Board Committees

The Corporation's Board has three standing committees: the audit committee, the compensation committee, and the governance and nominating committee. Each of the committees operates under its own written charter adopted by the Board.

Audit Committee

Audit Committee Mandate

The Corporation's Audit Committee is a committee of the Board established for the purpose of overseeing the Corporation's accounting and financial reporting process. The Audit Committee's responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures are set out in the Audit Committee Charter, a copy of which is attached hereto as Appendix B.

Audit Committee Composition

The Audit Committee currently consists of John Knowles (Chair), Wayne Brownlee and Garnette Weber. As defined in NI 52-110, all of the Audit Committee members are financially literate and considered "independent" as defined in NI 52-110.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

Each of the members of the Audit Committee have the industry experience necessary to understand and analyze financial statements of the level of complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting. The specific education and experience of each is set out under their respective names under the heading "*Election of Directors - Biographies of Proposed Nominees For Director*" above.

Reliance on Certain Exemptions

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of Audit Committee procedures set out in Form 52-110F2.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific pre-approval policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

External Auditors Service Fees (By Category)

The fees charged by the Corporation's external auditors in each of the last three (3) 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⁾
2023	\$445,120	NIL	NIL	NIL

2022	\$235,400	NIL	NIL	NIL
2021	\$317,255	NIL	NIL	NIL

Notes:

- (1) Includes amounts billed for the audit of ZYUS' annual consolidated financial statements, review of interim financial statements and services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements in the respective fiscal years.
- (2) Fees charged for assurance, and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (3) Fees charged for tax compliance, tax advice and tax planning services.
- (4) Fees for services other than those disclosed in any other column.

Compensation Committee

Compensation Committee Charter

The Corporation's Compensation Committee is a committee of the Board established for the purpose of assisting the Board in fulfilling its oversight responsibilities and to make recommendations to the Board with respect to the compensation of the Corporation's directors and executive officers. The Compensation Committee's responsibilities and composition requirements are set out in the Compensation Committee Charter, attached hereto as Appendix C.

Composition of the Compensation Committee

The Compensation Committee is composed of Garnette Weber (Chair), Dr. Charlotte Moore Hepburn and Richard Hoyt. All of the Compensation Committee members are considered "independent" as defined in NI 52-110.

Nominating and Governance Committee

Nominating and Governance Committee Charter

The Corporation's Governance & Nominating Committee is a committee of the Board established for the purpose of overseeing and assessing the functioning of the Board and the committees of the Board, identifying candidates for directorship and overseeing the development, recommendation to the Board, implementation and assessment of effective corporate governance principles. The Governance and Nominating Committee's responsibilities and composition requirements are set out in the Governance and Nominating Committee Charter, attached hereto as Appendix D.

Composition of the Governance and Nominating Committee

The Governance & Nominating Committee is composed of Richard Hoyt (Chair), John Knowles, Wayne Brownlee and Brent Zettl. Richard Hoyt, John Knowles and Wayne Brownlee are considered "independent" as defined in NI 52-110.

Nomination of Directors

The Governance & Nominating Committee is responsible for identifying and recruiting candidates for directorship and selecting the most appropriate candidates for submission to the Board as a whole for consideration as potential director nominees. Composition of the Board is shaped by the core competencies described in the Governance Guidelines, which have been developed by our Board of Directors and governance and nominating committee. In identifying new candidates for our Board of Directors, the nominating and governance committee consider the Governance Guidelines and the competencies and skills our Board, as a whole, should possess and assess the competencies and skills each existing director possesses, considering our Board of Directors as a group, and the experience and other qualities of each director.

Orientation and Continuing Education

The Governance and Nominating Committee charter and Governance Guidelines provide for the development of a formal orientation or education program for directors. The Corporation has not yet developed an official policy for orienting new directors. The Committee intends to develop and implement such a procedure in the future.

The Corporation's directors are highly experienced and knowledgeable, both individually and as a group. The directors have either a medical, pharmaceutical or business background and have long careers in or related to the legal, mergers and acquisitions, pharmaceutical and human resources fields and are intimately familiar with the industry in which the Corporation operates, through sufficient interactions with management and cannabis regulatory authorities and service providers.

Code of Business Conduct and Business Ethics

The Corporation has adopted a code of business conduct and business ethics ("**Code of Conduct**"), which is filed with the Canadian securities regulatory authorities on SEDAR+ at www.sedarplus.ca.

The Corporation's Board is responsible for monitoring compliance with the Code of Conduct. Responsibility for day-to-day administration of the Code of Conduct is delegated to the Governance and Nominating Committee. The Governance and Nominating Committee is responsible for, among other things, implementing the Code of Conduct, reviewing the Code of Conduct on an annual basis and approving amendments to the Code of Conduct, if necessary or desirable, and granting waivers from the provisions of the Code of Conduct.

Assessments

The Board, in conjunction with Governance and Nominating Committee, has put in place measures to assess the effectiveness and contribution of the Board and its committees, as well as individual directors of the Corporation on an annual basis.

Director Term Limits

The Corporation has not adopted a policy which imposes term limits for directors. The Corporation believes that it is crucial that directors understand its industry and its business and this requires a certain length of tenure on the Board. Long-term directors accumulate extensive company knowledge while new directors bring new experience and perspectives to the Board. It is important to achieve an appropriate balance of both to ensure an effective Board. To this end, the nominating and governance committee of our board of directors has developed appropriate qualifications and criteria for our board as a whole and for individual directors by the adoption and implementation of the Governance Guidelines.

Policies Regarding the Representation of Women on the Board and Executive Management and the Consideration of the Representation of Women in the Director Identification and Selection Process and Executive Officer Appointments

The Board does not currently have a formal policy with regard to the consideration of diversity in identifying director or executive nominees or a written policy relating to the identification and nomination of women directors or executives. However, through the Governance Guidelines, the nominating and governance committee is directed to take, and the Corporation's senior management team already takes, gender and other diversity representation into consideration as part of their overall recruitment and selection process. The Corporation recognizes the potential benefit of diversity in leadership positions, including with respect to its Board and executive officer positions, but feels a formal policy is unnecessary for the size of the Corporation.

Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

At this time the Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Corporation does not adopt targets because the Corporation is of the view

that its current practice of considering diversity as a factor in selecting candidates as potential directors or executive officers permits the Corporation to balance the benefit of diversity with other relevant considerations.

Number of Women on the Board and in Executive Positions

The Corporation currently has two (2) women (33%) on the Board and one woman (16%) in an executive officer role. Two (2) of the board nominees are women, representing 33% of the six (6) board nominees.

Whistleblower Policy

In order to foster a climate of openness and honesty in which any concern or complaint pertaining to a suspected violation of the law, the Corporation's Code of Conduct or any of its policies, or any unethical or questionable act or behavior, the Board has adopted a whistleblower policy, which is filed with the Canadian securities regulatory authorities on SEDAR+ at www.sedarplus.ca and contains procedures that are aimed to facilitate confidential, anonymous submissions by the Corporations stockholders, employees and other interested parties.

Management Contracts

Management functions of the Corporation are not, to any substantial degree, performed by a person other than the directors and executive officers of the Corporation.

AUDITORS, TRANSFER AGENT(S) AND REGISTRAR(S)

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, of 500, 475 - 2nd Avenue South Saskatoon, SK S7K 1P4, Canada.

The registrar and transfer agent for the Common Shares is TSX Trust Company at its principal office in 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the profile of the Corporation on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Financial Statements and MD&A.

In addition, copies of this Circular, the Financial Statements and MD&A may be obtained on SEDAR+ at www.sedarplus.ca or free of charge from the Corporation upon request from the Corporation's Corporate Secretary at 204-407 Downey Road, Saskatoon, Saskatchewan S7N 4L8 or by telephone at (306) 242-2357 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

BOARD APPROVAL

The contents of this Circular and the sending thereof to the shareholders of the Corporation have been approved by the Board of Directors.

DATED at Saskatoon, Saskatchewan this 14th day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Brent Zettl"

Director, President, Corporate Secretary and
Chief Executive Officer

APPENDIX A



MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

The primary function of the directors (individually a “Director” and collectively the “Board”) of ZYUS Life Sciences Corporation (“ZYUS”) is to supervise the management of the business and affairs of ZYUS and its subsidiaries. Management is responsible for the day-to-day conduct of the business of ZYUS. The fundamental objectives of the Board are to enhance and preserve long-term shareholder value and to ensure that ZYUS conducts business in an ethical and safe manner. In performing its functions, the Board should consider the legitimate interests that stakeholders, such as employees, customers and communities, may have in ZYUS and its subsidiaries. In carrying out its stewardship responsibility, the Board, through ZYUS’ Chief Executive Officer (the “CEO”), should set the standards of conduct for ZYUS and its subsidiaries.

2. PROCEDURE AND ORGANIZATION

The Board operates by delegating certain responsibilities and duties set out below to management or committees of the Board and by reserving certain responsibilities and duties for the Board. The Board retains the responsibility for managing its affairs, including selecting its chair (the “Chair of the Board”) and constituting committees of the Board. A majority of the members of the Board shall be independent within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* and the rules of any stock exchange or market on which ZYUS’ shares are listed or posted for trading (collectively, “Applicable Governance Rules”). If the Board selects a non-independent Director to serve as the Chair of the Board, it shall also select an independent Director to serve as the independent lead Director (the “Lead Director”). In this mandate, the term “independent” includes the meanings given to similar terms by Applicable Governance Rules, including the terms “non-executive”, “outside” and “unrelated” to the extent such terms are applicable under Applicable Governance Rules. The Board shall assess, on an annual basis, the adequacy of this mandate.

3. RESPONSIBILITY AND DUTIES

The principal responsibilities and duties of the Board fall into a number of categories, which are summarized below.

A. Legal Requirements

- (1) The Board has the overall responsibility to ensure that applicable legal requirements are complied with and documents and records have been properly prepared, approved and maintained.
- (2) The Board has the statutory responsibility to, among other things:
 - (a) manage, or supervise the management of, the business and affairs of ZYUS;

- (b) act honestly and in good faith with a view to the best interests of ZYUS;
 - (c) declare conflicts of interest, whether real or perceived;
 - (d) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and
 - (e) act in accordance with the obligations contained in the *Business Corporations Act (Ontario)* (the “OBCA”), the regulations under the OBCA, the articles of ZYUS, applicable securities laws and policies, applicable stock exchange rules, and other applicable legislation and regulations.
- (3) The Board has the responsibility for considering the following matters as a Board, which may not be delegated to management or to a committee of the Board:
- (a) any submission to the shareholders of any question or matter requiring the approval of the shareholders;
 - (b) the filling of a vacancy among the directors, the appointment of any additional directors and the appointment or removal of any of the CEO, the Chair of the Board or the President of ZYUS;
 - (c) the issue of securities except as authorized by the Board;
 - (d) the declaration of dividends;
 - (e) the purchase, redemption or any other form of acquisition of shares issued by ZYUS;
 - (f) the payment of a commission to any person in consideration of the person purchasing or agreeing to purchase shares of ZYUS from ZYUS or from any other person, or procuring or agreeing to procure purchasers for any such shares except as authorized by the Board;
 - (g) the approval of a management information circular;
 - (h) the approval of a take-over bid circular, directors’ circular or issuer bid circular;
 - (i) the approval of an amalgamation of ZYUS;
 - (j) the approval of an amendment to the memorandum or articles of ZYUS;
 - (k) the approval of annual financial statements of ZYUS; and
 - (l) any other matter which is required under the Applicable Governance Rules or applicable corporate laws to be decided by the Board as a whole.

In addition to those matters which at law cannot be delegated, the Board must consider and approve all major decisions affecting ZYUS, including all material acquisitions and dispositions, material capital expenditures, material debt financings, issue of shares and granting of options.

B. Strategy Development

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for ZYUS and to participate with management directly or through committees in developing and approving the strategy by which ZYUS proposes to achieve these goals (taking into account, among other things, the opportunities and risks of the business of ZYUS).

C. Risk Management

The Board has the responsibility to safeguard the assets and business of ZYUS, identify and understand the principal risks of the business of ZYUS and to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of ZYUS.

D. Appointment, Training and Monitoring Senior Management

The Board has the responsibility to:

- (1) appoint the CEO, and together with the CEO and the Compensation Committee, to develop a position description for the CEO;
- (2) with the advice of the Compensation Committee, develop corporate goals and objectives that the CEO is responsible for meeting and to monitor and assess the performance of the CEO in light of those corporate goals and objectives and to determine the compensation of the CEO;
- (3) provide advice and counsel to the CEO in the execution of the duties of the CEO;
- (4) develop, to the extent considered appropriate, position descriptions for the Chair of the Board and the chair of each committee of the Board;
- (5) approve the appointment of all corporate officers;
- (6) consider, and if considered appropriate, approve, upon the recommendation of the Compensation Committee, the remuneration of the CEO, and, upon the recommendation of the Compensation Committee and CEO, the remuneration of all other corporate officers;
- (7) consider, and if considered appropriate, approve, upon the recommendation of the Compensation Committee, incentive-compensation plans and equity-based plans of ZYUS; and
- (8) ensure that adequate provision has been made to train and develop management and members of the Board and for the orderly succession of management, including the CEO.

E. Ensuring Integrity of Management

The Board has the responsibility, to the extent considered appropriate, to satisfy itself as to the integrity of the CEO and other officers of ZYUS and to ensure that the CEO and such other officers are creating a culture of integrity throughout ZYUS.

F. Policies, Procedures and Compliance

The Board is responsible for the oversight and review of the following matters and may rely on management of ZYUS to the extent appropriate in connection with addressing such matters:

- (1) ensuring that ZYUS operates at all times within applicable laws and regulations and to appropriate ethical and moral standards;
- (2) approving and monitoring compliance with significant policies and procedures by which the business of ZYUS is conducted;
- (3) ensuring that ZYUS sets appropriate environmental standards for its operations and operates in material compliance with environmental laws and legislation;
- (4) ensuring that ZYUS has a high regard for the health and safety of its employees in the workplace and has in place appropriate programs and policies relating to workplace health and safety;
- (5) upon the recommendation of the Corporate Governance and Nominating Committee, developing the approach of ZYUS to corporate governance, including to the extent appropriate developing a set of governance principles and guidelines that are specifically applicable to ZYUS; and
- (6) upon the recommendation of the Corporate Governance and Nominating Committee, examining the corporate governance practices within ZYUS and altering such practices when circumstances warrant.

G. Reporting and Communication

The Board is responsible for the oversight and review of the following matters and may rely on management of ZYUS to the extent appropriate in connection with addressing such matters:

- (1) ensuring that ZYUS has in place policies and programs to enable ZYUS to communicate effectively with management, shareholders, other stakeholders and the public generally;
- (2) ensuring that the financial results of ZYUS are adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (3) ensuring that the financial results are reported fairly and in accordance with applicable generally accepted accounting standards;

- (4) ensuring the timely and accurate reporting of any developments that could have a significant and material impact on the value of ZYUS; and
- (5) reporting annually to the shareholders of ZYUS on the affairs of ZYUS for the preceding year.

H. Monitoring and Acting

The Board is responsible for the oversight and review of the following matters and may rely on management of ZYUS to the extent appropriate in connection with addressing such matters:

- (1) monitoring ZYUS' progress in achieving its goals and objectives and, if necessary, revising and altering, through management, the direction of ZYUS in response to changing circumstances;
- (2) considering taking action when performance falls short of the goals and objectives of ZYUS or when other special circumstances warrant;
- (3) reviewing and approving material transactions involving ZYUS;
- (4) ensuring that ZYUS has implemented adequate internal control and management information systems;
- (5) with the advice of the Corporate Governance and Nominating Committee, assessing the individual performance of each Director and the collective performance of the Board; and
- (6) with the advice of the Corporate Governance and Nominating Committee, overseeing the size and composition of the Board as a whole to facilitate more effective decision-making by ZYUS.

4. **BOARD'S EXPECTATION OF MANAGEMENT**

The Board expects each member of management to perform such duties, as may be reasonably assigned by the Board from time to time, faithfully, diligently, to the best of his or her ability and in the best interests of ZYUS. Each member of management is expected to devote substantially all of his or her business time and efforts to the performance of such duties. Management is expected to act in compliance with and to ensure that ZYUS is in compliance with all laws, rules and regulations applicable to ZYUS.

5. **RESPONSIBILITIES AND EXPECTATIONS OF DIRECTORS**

The responsibilities and expectations of each Director are as follows:

A. Commitment and Attendance

All Directors should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Members may attend by telephone.

B. Participation in Meetings

Each Director should be sufficiently familiar with the business of ZYUS, including its financial position and capital structure and the risks and competition it faces, to actively and effectively participate in the deliberations of the Board and of each committee on which he or she is a member. Upon request, management should make appropriate personnel available to answer any questions a Director may have about any aspect of the business of ZYUS. Directors should also review the materials provided by management and ZYUS' advisors in advance of meetings of the Board and committees and should arrive prepared to discuss the matters presented.

C. Code of Business Conduct and Ethics

ZYUS has adopted a Code of Business Conduct and Ethics to deal with the business conduct of Directors and officers of ZYUS. Directors should be familiar with the provisions of the Code of Business Conduct and Ethics. Each Director should also strive to perform his or her duties in keeping with current and emerging corporate governance best practices for directors of publicly-traded corporations.

D. Other Directorships

ZYUS values the experience Directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a Director's time and availability, and may also present conflicts issues. Directors should advise the chair of the Corporate Governance and Nominating Committee before accepting any new membership on other boards of directors or any other affiliation with other businesses or governmental bodies which involve a significant commitment by the Director.

E. Contact with Management

All Directors may contact the CEO at any time to discuss any aspect of the business of ZYUS. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for Directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

F. Confidentiality

The proceedings and deliberations of the Board and its committees are, and shall remain, confidential. Each Director should maintain the confidentiality of information received in connection with his or her services as a director of ZYUS.

G. Evaluating Board Performance

The Board, in conjunction with the Corporate Governance and Nominating Committee, and each of the committees of the Board should conduct a self-evaluation at least annually to assess their effectiveness. In addition, the Corporate Governance and Nominating Committee should periodically consider the mix of skills and experience that Directors bring to the Board and assess, on an ongoing basis, whether the Board has the necessary composition to perform its oversight function effectively.

6. QUALIFICATIONS AND DIRECTORS' ORIENTATION

Directors should have the highest personal and professional ethics and values and be committed to advancing the interests of ZYUS. They should possess skills and competencies in areas that are relevant to the business of ZYUS. The Corporate Governance and Nominating Committee is responsible for the provision of an orientation program for new Directors to explain ZYUS' approach to corporate governance and the nature and operation of its business. The Corporate Governance and Nominating Committee is also responsible for generating continuing education opportunities for all Directors so that members of the Board may maintain and enhance their skills as Directors.

7. MEETINGS

The Board should meet on at least a quarterly basis and should hold additional meetings as required or appropriate to consider other matters. In addition, the Board should meet as it considers appropriate to consider strategic planning for ZYUS. Financial and other appropriate information should be made available to the Directors in advance of Board meetings. Attendance at each meeting of the Board should be recorded. Management may be asked to participate in any meeting of the Board, provided that the CEO must not be present during deliberations or voting regarding his or her compensation.

Independent directors should meet separately from non-independent directors and management at least twice per year in conjunction with regularly scheduled Board meetings, and at such other times as the independent directors consider appropriate to ensure that the Board functions in an independent manner.

8. COMMITTEES

The Board has established an Audit Committee, Corporate Governance and Nominating Committee and Compensation Committee to assist the Board in discharging its responsibilities. Special committees of the Board may be established from time to time to assist the Board in connection with specific matters. The chair of each committee should report to the Board following meetings of the committee. The charter of each standing committee should be reviewed annually by such Committee and the Board.

ZYUS' directors, officers and employees must cooperate with ZYUS' auditors and bring to the attention of their supervisors, or other appropriate personnel, transactions that appear unusual or do not seem to serve a legitimate purpose.

9. EVALUATION

Each Director will be subject to an annual evaluation of his or her individual performance. The collective performance of the Board and of each committee of the Board will also be subject to annual review. Directors should be encouraged to exercise their duties and responsibilities in a manner that is consistent with this mandate and with the best interests of ZYUS and its shareholders generally.

10. RESOURCES

The Board has the authority to retain independent legal, accounting and other consultants. The Board may request any officer or employee of ZYUS or outside counsel or the external/internal auditors to attend a meeting of the Board or to meet with any member of, or consultant to, the Board.

Directors are permitted to engage an outside legal or other adviser at the expense of ZYUS where for example he or she is placed in a conflict position through activities of ZYUS, but any such engagement shall be subject to the prior approval of the Corporate Governance and Nominating Committee.

APPENDIX B



AUDIT COMMITTEE CHARTER

CHARTER PURPOSE

The Audit Committee (the “**Audit Committee**” or the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Zyus Life Sciences Corporation (the “**Company**”). Its primary function is to assist the Board in fulfilling its oversight responsibilities by evaluating and making recommendations to the Board as appropriate with respect to:

- accounting and financial reporting;
- the external auditors, including performance, qualifications, independence, and their audit of the Company's financial statements;
- internal controls and disclosure controls;
- financial risk management;
- the Company's Code of Business Conduct and Ethics (the “**Code**”); and
- related party transactions.

The Audit Committee will also have authority to review and, in its discretion, approve certain matters, in accordance with and within the limitations prescribed by this Charter.

The Audit Committee's primary function is to assist the Board in fulfilling its responsibilities. It is, however, the Company's management which is responsible for preparing the Company's financial statements and it is the Company's external auditors who are responsible for auditing those financial statements.

COMPOSITION AND MEMBER QUALIFICATION

The Committee shall, subject to applicable exemptions available under National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”), be comprised of at least three directors, each of whom shall be an independent director of the Company (as defined below). Pursuant to NI 52-110 (as implemented by the Canadian Securities Administrators and as amended from time to time), a director is considered to be “independent” if he or she has no direct or indirect “material relationship” with the Company which is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Notwithstanding the foregoing, a director shall be considered to have a “material relationship” with the Company if he or she falls in one of the categories listed in Schedule A attached hereto.

Subject to an applicable exemption available under NI 52-110, all members of the Audit Committee must, to the satisfaction of the Board, be “financially literate” within the meaning of NI 52-110. NI 52-110 provides that a director will be considered “financially literate” if he or she has 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 reasonably be expected to be raised by the Company's financial statements.

At least one member must have accounting or related financial management expertise.

Each member will have, to the satisfaction of the Board, sufficient skills and/or experience as are relevant and will be of contribution to the carrying out of the mandate of the Committee.

APPOINTMENT AND TERM OF OFFICE

Each member of the Committee and the Chair of the Committee shall be appointed from and by the Board, on the recommendation of the Corporate Governance and Nominating Committee, at the time of each annual meeting of the shareholders of the Company, and shall hold office until the next annual meeting.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director.

The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all their powers so long as a quorum remains in office.

MEETINGS

The Committee is to meet at least four times annually (and more frequently if circumstances require). The Audit Committee is to meet prior to filing the quarterly financial statements in order to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis ("MD&A") and is to meet prior to filing the annual audited financial statements and MD&A in order to review and discuss the audited financial results for the year and related MD&A.

The Audit Committee will meet periodically with management and the external auditors in separate sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. The Audit Committee shall meet with the external auditors in a separate session at each regularly scheduled meeting of the Committee at which such auditors are present.

A quorum for the transaction of business at any meeting of the Committee is the presence in person or via tele-conference or video-conference of a simple majority of the total number of members of the Committee. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting will consist of the members then present.

Meetings of the Committee shall be held from time to time and at such place as the Committee or the Chair of the Committee may determine, within or outside Canada, upon not less than 48 hours' prior notice to each of the members.

Meetings of the Committee may be held without 48 hours' prior notice if all of the members entitled to vote at such meeting who do not attend, waive notice of the meeting and, for the purpose of such meeting, the presence of a member at such meeting shall constitute waiver on his or her part. Any member of the Committee or the Chairman of the Board shall be entitled to request that the Chair of the Committee call a meeting. A notice of a meeting of the Committee may be given verbally, in writing or by telephone, fax or other means of communication, and need not specify the purpose of the meeting. Members of the Committee may attend meetings of the Committee by tele-conference or video-conference.

The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as secretary at any meeting.

All decisions of the Committee will require the vote of a majority of its members present at a meeting at which a quorum is present. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. Such instruments in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

The Committee shall meet in camera, without management, at each meeting of the Committee, and otherwise as considered appropriate by the members of the Committee. Any member of the Committee may move the Committee in camera at any time during the course of a meeting, and a record of any decisions made in camera shall be maintained by the Chair of the Committee.

DUTIES AND RESPONSIBILITIES

To fulfill its duties and responsibilities, the Audit Committee shall evaluate and make recommendations to the Board, or approve, as appropriate, with respect to the following matters:

General Responsibilities.

- a) Create and maintain a Committee plan for the year.
- b) Review and assess this Charter at least annually, prepare revisions to its provisions as conditions dictate, and refer its assessment and any proposed revisions to the Corporate Governance and Nominating Committee or the Board.
- c) Report and make recommendations periodically to the Board on the matters covered by this Charter.
- d) Perform any other activities consistent with this Charter, the Company's Articles and Bylaws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

Financial Reporting.

- e) Recommend to the Board for approval:
 - i) the Company's quarterly and annual financial statements and related MD&A;
 - ii) all other financial statements that require approval by the Board, including financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities; and
 - iii) financial information for use in press releases, including annual and interim profit or loss press releases, prior to their publication and/or filing with any governmental body and/or release.
- f) Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting, with the external auditor reporting directly to the Committee.
- g) Before the release of financial statements and related disclosures to the public, obtain confirmation from the CEO and CFO as to the matters addressed in the certifications required by the securities regulatory authorities.
- h) Review any litigation, claim or other contingency that could have a material effect on the financial statements.
- i) Review the external auditors' judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting.
- j) Review the status of significant accounting estimates and judgments and special issues (e.g., major transactions, changes in the selection or application of accounting policies, off-balance sheet items, effect of regulatory and financial initiatives).
- k) Review and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the external auditors.

External Auditor.

- l) Be directly responsible for recommending:
 - i) the appointment and retention of, and if appropriate, the termination of the external auditors, considering independence and effectiveness; and
 - ii) the fees and other compensation to be paid to the external auditors;
- subject to such Board of Directors and shareholder approval as is required under applicable legislation and stock exchange requirements.

- m) Require, in accordance with applicable law that the external auditors report directly to the Audit Committee.
- n) Pre-approve all audit and non-audit services to be provided to the Company or its subsidiaries by the external auditors in a manner consistent with NI 52-110.
- o) Oversee the work and review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.
- p) Monitor the relationship between management and the external auditors, including reviewing any management letters or other reports of the external auditors.
- q) Discuss with the external auditor any (i) difference of opinion with management on material auditing or accounting issues, and (ii) any audit problems or difficulties experienced by the external audit in performing the audit. Where there are significant unsettled issues, the Audit Committee is to assist in arriving at an agreed course of action for the resolution of such matters.
- r) Periodically consult with the external auditors without management present about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the completeness and accuracy of the Company's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- s) Review and discuss, on an annual basis, with the external auditors all significant relationships they have with the Company to determine their independence.
- t) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.
- u) Consider any matter required to be communicated to the Audit Committee by the external auditors under applicable generally accepted auditing standards, applicable law and listing standards, including the auditor's report to the Audit Committee (and management's response thereto).

Monitoring Financial Matters, Internal Controls, Management Systems and Disclosure Controls.

- v) Oversee management's review of the adequacy of the Company's accounting and financial reporting systems, including with respect to the integrity and quality of the Company's financial statements and other financial information.
- w) Oversee management's review of the adequacy of the Company's internal controls and management systems to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records.
- x) In consultation with the Corporate Governance and Nominating Committee, oversee management's disclosure controls and procedures regarding the Company's financial

information to confirm that the Company's financial information that is required to be disclosed under applicable law or stock exchange rules is disclosed.

- y) Review any special audit steps adopted in light of material control deficiencies.

Risk Management.

- z) Review management's assessment and management of financial risk, including insurance coverage, and obtain the external auditors' opinion of management's assessment of significant financial risks facing the Company and how effectively such risks are being managed or controlled.

Complaints

- aa) Establish procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Related Party Transactions

- bb) Review and pre-approve all proposed related party transactions and situations involving a potential or actual conflict of interest involving a director, member of executive management, or affiliate, that are not required to be dealt with by an "independent committee" pursuant to securities laws, other than routine transactions and situations arising in the ordinary course of business, consistent with past practice.

Financial Legal Compliance

- cc) Review management's monitoring of the Company's systems in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
- dd) Review with legal counsel any legal matters that could have a significant effect on the Company's financial statements.
- ee) Review with legal counsel the Company's compliance with applicable law and inquiries received from regulators and governmental agencies to the extent they may have a material impact on the financial position of the Company.

Expense Accounts and Management Perquisites

- ff) Recommend to the Board policies and procedures with respect to directors' and executive management's expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the external auditors.

Succession Planning

- gg) Consult with the Compensation Committee and Corporate Governance and Nominating

Committee on succession planning for the directors and executive management.

Disclosure of Audit Committee Function

- hh) Oversee the preparation of, and recommend to the Board, the disclosure of the Audit Committee's composition and responsibilities and how they were discharged as required to be published annually in the Company's management information circular or annual information form pursuant to applicable law (including NI 52-110).
- ii) Approve any other significant information relating to matters within this Charter contained in the Company's disclosure documents.

Legal Compliance

- jj) Oversee management's compliance with laws with respect to the audit function, and recommend to the Board any changes to the Company's practices in these areas.
- kk) Satisfy itself that management monitors significant trends in the area of financial reporting, and evaluates their impact on the Company.

The foregoing list is not exhaustive. The Audit Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities and duties.

RESPONSIBILITIES OF COMMITTEE CHAIR

The primary responsibility of the Chair of the Audit Committee is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling this Charter and any other matters delegated to it by the Board. To that end, the Committee Chair's duties and responsibilities shall include:

- a) Working with the Board Chair, the Chief Executive Officer and the Corporate Secretary to establish the frequency of Committee meetings and the agendas for such meetings.
- b) Providing leadership to the Committee and presiding over Committee meetings.
- c) Facilitating the flow of information to and from the Committee and fostering an environment in which the Committee members may ask questions and express their viewpoints.
- d) Reporting to the Board with respect to the significant activities of the Committee and any recommendations made by the Committee.
- e) Taking such other steps as are reasonably required to ensure that the Committee carries out this Charter.

OTHER ORGANIZATIONAL MATTERS

- a) The members and the Chair of the Committee shall be entitled to receive remuneration for acting in such capacity as the Board may from time to time determine.

- b) The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:
 - i) engage, select, retain, terminate, set and approve the fees and other compensation and other retention terms of special or independent counsel, accountants or other advisors, as it deems appropriate;
 - ii) obtain appropriate funding to pay, or approve the payment of, such approved fees at the expense of the Company; and
 - iii) communicate directly with the internal and external auditors.
- c) The Committee shall have full access to books, records, facilities, and personnel of the Company, as it deems necessary to carry out its duties.
- d) The Committee's performance shall be evaluated annually, in accordance with a process developed by the Corporate Governance and Nominating Committee and approved by the Board, and results of that evaluation shall be reported to the Corporate Governance and Nominating Committee and to the Board.

SCHEDULE A

MATERIAL RELATIONSHIP

1. Material Relationships

- a) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- b) For the purposes of subsection (A), a “material relationship” is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- c) Despite subsection (B), the following individuals are considered to have a material relationship with an issuer:
 - i) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - ii) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - iii) an individual who:
 - (1) is a partner of a firm that is the issuer's internal or external auditor,
 - (2) is an employee of that firm, or
 - (3) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - iv) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (1) is a partner of a firm that is the issuer's internal or external auditor,
 - (2) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (3) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - v) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

- vi) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- d) Despite subsection (C), an individual will not be considered to have a material relationship with the issuer solely because
 - i) he or she had a relationship identified in subsection (C) if that relationship ended before March 30, 2004; or
 - ii) he or she had a relationship identified in subsection (C) by virtue of subsection (H)
 - iii) if that relationship ended before June 30, 2005.
- e) For the purposes of clauses (C)(3) and (C)(4), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- f) For the purposes of clause (C), direct compensation does not include:
 - i) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- g) Despite subsection (C), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - i) has previously acted as an interim chief executive officer of the issuer, or
 - ii) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- h) For the purpose of this section I, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

2. Additional Independence Requirements

- a) Despite any determination made under section I, an individual who:
 - i) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of

directors;

- ii) committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - iii) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
- b) For the purposes of subsection (A), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
- i) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - ii) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- c) For the purposes of subsection (A), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.



COMPENSATION COMMITTEE CHARTER

CHARTER PURPOSE

The Compensation Committee is a standing committee appointed by the Board of Directors of ZYUS Life Sciences Corporation ("ZYUS"). The Committee will assist the Board in discharging the Board's oversight responsibilities relating to the compensation and retention of key senior management employees with the skills and expertise needed to enable ZYUS to achieve its goals and strategies at fair and competitive compensation, including appropriate performance incentives. The Committee is responsible for:

- reviewing compensation payable to the Chief Executive Officer of ZYUS and other executives;
- reviewing the compensation payable to directors;
- overseeing the administration of compensation plans;
- reviewing executive and director compensation disclosure to be made in the proxy circular prepared in connection with ZYUS' annual meeting of shareholders; and
- reviewing ZYUS' compensation standards, along with management's annual recommendations, to ensure each are consistent with each other, and currently appropriate.

PROCEDURES

1. **Composition.** The Committee will be comprised of at least two members, each of whom is an "independent" director (as defined from time to time under applicable securities laws,).
2. **Appointment and Replacement of Committee Members.** Any member of the Committee may be removed or replaced at any time by the Board and will automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by appointing another director to the Committee. The Board will fill any vacancy if the membership of the Committee is less than two directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all of the Committee's powers as long as a quorum remains in office. Subject to the foregoing, the members of the Committee will be appointed by the Board annually and each member of the Committee will remain on the Committee until the next annual meeting of shareholders after his or her appointment or until his or her successor will be duly appointed and qualified.
3. **Committee Chair.** The members of the Committee will designate a Chair of the Committee by majority vote of the full Committee. The Chair will be responsible for

leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board.

4. **Conflicts of Interest.** If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member will be responsible for alerting the Chair of the Committee. If the Chair faces a potential or actual conflict of interest, he or she will advise the Chair of the Board. If the Chair of the Committee, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict will disclose to the Committee his or her interest and may not participate in consideration of the matter and may not vote on the matter.
5. **Compensation of Committee Members.** The members of the Committee are entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
6. **Meetings.** The Committee will meet regularly at times necessary to perform the duties described in this Charter in a timely manner, but not less than two times a year. Meetings may be held at any time deemed appropriate by the Committee. The Committee may meet in person and by telephone or electronic means and may act by means of a written resolution signed by all members entitled to vote on the matter.
7. **Calling of Meetings.** Notice of the time and place of every meeting will be given in writing, by any means of transmitted or recorded communication, including electronic means that produces a written copy, to each member of a Committee at least 48 hours prior to the time fixed for such meeting. However, a member may in any manner waive a notice of a meeting. The attendance of a director at a meeting constitutes a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Whenever practicable, the agenda for the meeting and the meeting materials will be provided to members before each Committee meeting in sufficient time to provide adequate opportunity for their review.
8. **Quorum.** A majority of the members of the Committee constitute quorum.
9. **Chair of Meetings.** If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present will be chosen by the Committee to preside at the meeting.
10. **Secretary of Meeting.** The Chair of the Committee will designate a person who need not be a member of the Committee to act as secretary or, if the Chair fails to designate such a person, the corporate secretary of ZYUS will be secretary of the Committee. The agenda of the Committee meeting will be prepared by the Chair, working with the secretary of the Committee and, whenever reasonably practicable, circulated to each member prior to each meeting.
11. **Voting.** All decisions of the Committee will require the vote of a majority of its members present at a meeting at which a quorum is present. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. Such instruments in writing

may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

12. **Minutes.** Minutes of the proceedings of the Committee will be kept in a minute book provided for that purpose. The minutes of the Committee meetings will accurately record the discussions of and decisions made by the Committee, including all recommendations to be made by the Committee to the Board and will be distributed to all Committee members.
13. **Separate Executive Meetings.** The Committee will meet periodically with the Chief Executive Officer to discuss any matters that the Committee or either of these individuals believes should be discussed privately. However, the Committee will also meet without management present at every regular meeting.
14. **Professional Assistance.** The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at ZYUS' expense including sole authority to retain and terminate any executive compensation consulting firm and to approve any such firm's fees and other retention terms. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, special legal counsel and other adviser retained by the Committee.
15. **Funding.** The Committee shall have the authority to obtain appropriate funding to pay, or approve the payment of, such approved fees as contemplated by this Charter, at the expense of the Company.
16. **Reporting to the Board.** The Committee will report through the Chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

POWERS

1. **Access.** The Committee is entitled to full access to all books, records, facilities, and personnel of ZYUS and its subsidiaries. The Committee may require such officers, directors and employees of ZYUS and its subsidiaries and others as it may see fit from time to time to provide any information about ZYUS and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee.
2. **Delegation.** The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.
3. **Adoption of Policies and Procedures.** The Committee may adopt policies and procedures for carrying out its responsibilities.

DUTIES AND RESPONSIBILITIES

1. Director Compensation and Protection

- a) The Committee will recommend to the Board the terms upon which directors will be compensated. The Committee will recommend terms for the compensation of directors, the Chair of the Board and those acting as committee chairs that adequately reflect the responsibilities they are assuming.

- b) Subject to applicable law and the articles and by-laws of ZYUS, the Committee is responsible for administering all policies and practices of ZYUS with respect to the indemnification of directors by ZYUS and for approving all payments made pursuant to such policies and practices.

2. Compensation of Executives

- a) The Committee will annually:
 - i) review and revise the position description of the Chief Executive Officer and recommend annual performance goals and criteria for the Chief Executive Officer, evaluate the performance of the Chief Executive Officer against such position description and applicable performance goals and criteria and set the Chief Executive Officer's level of compensation based on this evaluation;
 - ii) review the Chief Executive Officer's evaluation of the performance of the other officers of ZYUS appointed by the Board and such other employees or executives of ZYUS or any subsidiary of ZYUS as may be identified to the Committee by the Board (collectively, the "**Designated Employees**") and review the Chief Executive Officer's recommendations with respect to the amount of compensation and any indemnifications to be provided to the Designated Employees; and
 - iii) review, assess the competitiveness and appropriateness of and approve the compensation package of the Chief Executive Officer and each of the Designated Employees. In conducting such review, the Committee will consider:
 - (1) the compensation packages of the Chief Executive Officer and the Designated Employees for the prior year;
 - (2) the Committee's evaluation of the performance of the Chief Executive Officer and the Chief Executive Officer's evaluation of the performance of the respective Designated Employees;
 - (3) ZYUS' financial and operating performance;
 - (4) whether the compensation package reflects an appropriate balance between short and longer-term incentives and alignment with the interests of shareholders;
 - (5) the competitiveness of the compensation package, including the value of similar incentive awards paid to equivalent officers and positions at comparable companies;
 - (6) the awards given to the Chief Executive Officer and Designated Employees in previous years; and
 - (7) total compensation tally sheets and wealth accumulation analyses.
- b) The Committee will review and approve any employment contracts with the Chief Executive Officer and the Designated Employees and any material change to the terms of such contracts and will review all arrangements that take effect upon the termination of

employment of the Chief Executive Officer and the Designated Employees (including those in comparison to ZYUS' peer group).

- c) The Committee will review the composition and use of comparator groups used in assessing compensation payable to the Chief Executive Officer and the Designated Employees.
- d) The CEO may not be present during voting on deliberations on his or her compensation.

3. Compensation Policies

- a) The Committee will review and recommend to the Board compensation policies and processes and any new incentive compensation and equity compensation plans of ZYUS or changes to such plans and in particular, the compensation policies, processes and plans respecting the Chief Executive Officer and the Designated Employees.
- b) The Committee will administer all incentive plans of ZYUS, including approving grants under incentive plans that do not provide for the issuance of securities of ZYUS, and making recommendations to the Board for its approval respecting grants under other incentive plans that do provide for the issuance of securities of the company, including recommending who should receive such grants and the terms of those grants, and the overall level of outstanding awards under such plans.
- c) The Committee will review and approve any performance measures respecting incentive compensation payable to the Designated Employees and make recommendations to the Board on any performance measures respecting incentive compensation payable to the Chief Executive Officer.

4. Compensation Risks

- a) The Committee will periodically review the alignment of ZYUS' compensation programs, including incentive compensation programs, with (i) ZYUS' strategic plans and risk profile, (ii) desired performance measures, (iii) ZYUS' overall performance and (iv) risk management principles, and will consider stress test analyses in connection with such review.
- b) The Committee may consider requirements respecting executive ownership of ZYUS shares and their equivalents and the levels of ownership achieved and policies against monetization of such holdings, and may approve any changes to such requirements.

5. Compensation Consultant

- a) If a compensation consultant is retained to assist the Committee in determining the compensation payable to the Chief Executive Officer and the Designated Employees:
 - i) the Committee will conduct an annual review of the compensation consultant's independence pursuant to applicable securities laws;
 - ii) the Committee will approve in advance the terms of engagement and the compensation to be paid by ZYUS to the compensation consultant;

- iii) any other services to be provided by the compensation consultant to ZYUS will be subject to pre-approval by the Committee; and
- iv) the Committee will review the disclosure to be made in the proxy circular prepared in connection with ZYUS' annual meeting of shareholders respecting the fees paid to the compensation consultant for such assistance as well as the nature of any other work performed by the compensation consultant to ZYUS and the fees paid for such other work.

6. Succession Planning

- a) The Committee will periodically review with the Chair of the Board and the Chief Executive Officer the succession plans relating to the position of the Chief Executive Officer and other senior positions and make recommendations to the Board with respect to the selection of individuals to occupy these positions.
- b) The Committee will review plans in respect of an unexpected incapacitation of the Chief Executive Officer.

7. Human Resource Programs

- a) The Committee will review material human resource policies, plans and programs.
- b) The Committee will consider employee communication practices and management's employee relations programs.

8. **Disclosure Requirements.** The Committee will annually review and approve ZYUS' compensation disclosure to be made in the proxy circular prepared in connection with ZYUS' annual meeting of shareholders.

9. **General.** The Committee may undertake on behalf of the Board such other compensation initiatives as may be necessary or desirable to contribute to the success of ZYUS and enhance shareholder value.

THIS CHARTER

- 1. **Review.** The Committee will review and reassess the adequacy of this Charter periodically and as it deems appropriate and recommend changes to the Board. The performance of the Committee will be evaluated with reference to this Charter annually.
- 2. **Disclosure.** The Committee will ensure that this Charter is disclosed as deemed necessary and that this Charter or a summary of it that has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

APPENDIX D



CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

CHARTER PURPOSE

The Corporate Governance and Nominating Committee is a standing committee appointed by the Board of Directors of ZYUS Life Sciences Corporation (“ZYUS”). The Committee is responsible for overseeing and assessing the functioning of the Board and the committees of the Board and for the development, recommendation to the Board, implementation and assessment of effective corporate governance principles. The Committee's responsibilities also include identifying candidates for directorship and recommending that the Board select qualified director candidates for election at the next annual meeting of shareholders.

PROCEDURES

1. **Composition.** The Committee will be comprised of at least two “independent” directors (as defined from time to time under applicable securities laws) and, where there are more than two members on the Committee, a majority of Committee members must be “independent” directors.
2. **Appointment and Replacement of Committee Members.** Any member of the Committee may be removed or replaced at any time by the Board and automatically ceases to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by appointing another director to the Committee. The Board will fill any vacancy if the membership of the Committee is less than two directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all of the Committee’s powers as long as a quorum remains in office. Subject to the foregoing, the members of the Committee will be appointed by the Board annually and each member of the Committee will remain on the Committee until the next annual meeting of shareholders after his or her appointment or until his or her successor is duly appointed and qualified.
3. **Committee Chair.** The members of the Committee will designate a Chair by majority vote of the full Committee. The Chair will be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board.
4. **Conflicts of Interest.** If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member will be responsible for alerting the Chair of the Committee. If the Chair of the Committee faces a potential or actual conflict of interest, he or she will advise the Chair of the Board. If the Chair of the Committee, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict will disclose to the Committee his or her interest and may not participate in consideration of the matter and may not vote on the matter.
5. **Compensation of Committee Members.** The members of the Committee are entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

6. **Meetings.** The Committee will meet regularly at times necessary to perform the duties described in this Charter in a timely manner, but not less than twice a year. Meetings may be held at any time deemed appropriate by the Committee. The Committee may meet in person and by telephone or electronic means and may act by means of a written resolution signed by all members entitled to vote on the matter.
7. **Calling of Meetings.** Notice of the time and place of every meeting will be given in writing, by any means of transmitted or recorded communication, including electronic means that produces a written copy, to each member of the Committee at least 48 hours prior to the time fixed for such meeting. However, a member may in any manner waive notice of a meeting. The attendance of a director at a meeting constitutes a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Whenever practicable, the agenda for the meeting and the meeting materials will be provided to members before each Committee meeting in sufficient time to provide adequate opportunity for their review.
8. **Quorum.** A majority of the members of the Committee constitute a quorum.
9. **Chair of Meetings.** If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present will be chosen by the Committee to preside at the meeting.
10. **Secretary of Meeting.** The Chair of the Committee will designate a person who need not be a member of the Committee to act as secretary or, if the Chair fails to designate such a person, the secretary of ZYUS will be secretary of the Committee. The agenda of the Committee meeting will be prepared by the Chair, working with the secretary of the Committee and, whenever reasonably practicable, circulated to each member prior to each meeting.
11. **Minutes.** Minutes of the proceedings of the Committee will be kept in a minute book provided for that purpose. The minutes of the Committee meetings will accurately record the discussions of and decisions made by the Committee, including all recommendations to be made by the Committee to the Board and will be distributed to all Committee members.
12. **Separate Executive Meetings.** The Committee will meet periodically with the Chief Executive Officer to discuss any matters that the Committee or the Chief Executive Officer believes should be discussed privately. However, the Committee will also meet without management present at every regular meeting.
13. **Professional Assistance.** The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at ZYUS' expense including sole authority to retain and terminate any search firm to be used to identify director candidates and to approve any such firm's fees and other retention terms.
14. **Reporting to the Board.** The Committee will report through the Chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

POWERS

1. **Access.** The Committee is entitled to full access to all books, records, facilities, and personnel of ZYUS and its subsidiaries. The Committee may require such officers, directors and employees of ZYUS and its subsidiaries and others as it may see fit from time to time to provide any information about ZYUS and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee.
2. **Delegation.** The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.
3. **Adoption of Policies and Procedures.** The Committee may adopt policies and procedures for carrying out its responsibilities.

RESPONSIBILITIES

4. **Board Composition and Director Nominations.**
 - a) The Committee will identify and recommend to the Board qualified director nominees for election or appointment to the Board.
 - b) The Committee will:
 - i) review, from time to time, the size of the Board;
 - ii) develop and periodically review the standards to be applied in making determinations as to the presence or absence of material relationships between a director and ZYUS;
 - iii) annually review the competencies, skills and personal qualities required of directors in order to add value to ZYUS, in light of:
 - (1) the opportunities and risks facing ZYUS and ZYUS' proposed strategy;
 - (2) the need to ensure that for purposes of the composition of the Board: (A) a majority of the directors are "independent" directors (as defined under applicable securities laws and the rules of any stock exchange on which ZYUS' securities are listed for trading); (B) at least 25% of the directors are residents of Canada and at least that number of directors and executive officers who are not residents or citizens of the U.S.A. as are required to meet the requirements for ZYUS to qualify as a "foreign private issuer" under U.S. securities laws; and (C) at least three directors are "independent" directors (as defined from time to time under the requirements or guidelines for audit committee service under applicable securities laws); and
 - (3) ZYUS' Corporate Governance Guidelines and Board Policies with respect to director tenure, retirement and succession and the number of boards on which directors may sit;

- iv) periodically review the competencies, skills and personal qualities of each existing director, and the contributions made by the director to the effective operation of the Board and review any significant change in the primary occupation of the director; and
 - v) in light of (i), (ii) and (iii) above, make recommendations for changes to the composition of the Board.
- c) The Committee will recruit and consider candidates for directorship, including any candidates recommended by shareholders, having regard for the background, employment and qualifications of possible candidates. The Committee will:
- i) consider whether the candidate's competencies, skills and personal qualities are aligned with ZYUS' needs and any criteria for selecting new directors established by the Board;
 - ii) inform the candidate of the demands and expectations of a director of ZYUS; and
 - iii) maintain an evergreen list of potential candidates for directorship.

5. Corporate Governance.

- a) The Committee is responsible for reviewing at least annually, ZYUS' approach to governance issues and recommending to the Board changes to ZYUS' Corporate Governance Guidelines. The Corporate Governance Guidelines will address limitations on the number of boards on which directors may sit and Board policies with respect to director tenure, retirement and succession and changes in the primary occupation of a director.
- b) If a director submits a resignation for consideration by the Board pursuant to the corporate governance guidelines or a Board policy, the Committee will recommend to the Board whether or not to accept it.
- c) The Committee will establish policies to enable an individual director to engage an outside advisor at the expense of ZYUS with the approval of the Committee.
- d) The Committee will periodically review the need for a Shareholder Rights Plan and, if such a plan has been approved, any amendments, restatements or renewals of such plan.
- e) The Committee will assess any shareholder proposals to be included in the proxy circular prepared in connection with the annual meeting of shareholders and make appropriate recommendations to the Board.
- f) The Committee will review policies and practices with respect to engagement with shareholders and other stakeholders in ZYUS.

6. Business and Ethical Conduct.

- a) The Committee will:

- i) establish and update periodically a Code of Conduct and Business Ethics for employees, officers and directors;
 - ii) review management's monitoring of compliance with such Code of Conduct and Business Ethics;
 - iii) oversee ZYUS' practices with respect to charitable donations, and any charitable donations to be made to an organization with which a director is affiliated will require prior approval by the Committee after consideration of any impact that such donation may have on director independence; and
 - iv) oversee ZYUS' practices with respect to political donations, if applicable.
7. **Director Orientation and Continuing Education.** The Committee will oversee an orientation program to familiarize new directors with ZYUS' business and operations, including ZYUS' reporting structure, strategic plans, significant financial, accounting and risk issues and compliance programs and policies, management and the external auditors. The Committee will also oversee ongoing educational opportunities for all directors.
8. **Board Evaluations.**
- a) The Committee will annually review and make recommendations to the Board for changes to the Board Charter and the position descriptions for the Chair of the Board and other director roles.
 - b) The Committee will conduct annual surveys of directors with respect to their views on the effectiveness of the Board, the Chair of the Board, each committee of the Board and its Chair and the contribution of individual directors.
 - c) The Committee will evaluate the performance of the Chair of the Board, the Chair of each Committee and the performance and contribution of individual directors, having regard for the position descriptions for the Board and Chair of the Board and the results of annual surveys of the directors, attendance at Board and Board committee meetings and overall contribution.
 - d) The Committee will also annually assess the effectiveness of the Board as a whole and each committee of the Board, including this Committee, having regard for the mandate of the Board and the charter of the relevant Board committee, as the case may be, and make recommendations to the Board.
9. **Operations of the Board.**
- a) The Committee will make recommendations respecting succession planning for the Chair of the Board and, in the event of a change in the Chair of the Board, will make recommendations to the Board respecting the appointment of a new Chair of the Board.
 - b) At the first meeting of the Board following each annual meeting of shareholders, the Chair of the Committee will recommend to the Board the allocation of directors to each of the Board committees. Thereafter, when a vacancy occurs at any time in the membership of

any Board committee, the Committee will recommend a particular director to the Board to fill such vacancy. In making such recommendations, the Committee will consider (i) the skills and experience of individual Board members and the skill set required for the particular committee; (ii) the desire for periodic rotation of membership, subject to the need for a level of continuity on a year-to-year basis; (iii) the preferences of individual directors; and (iv) diversity.

- c) The Committee will review from time to time, and at least annually, the charters of the committees of the Board and make recommendations regarding the charters to the Board and recommend timely changes in the role, size, composition and structure of Board committees.
 - d) The Committee will assess the needs of the Board and make recommendations with respect to rules and guidelines governing and regulating the affairs of the Board, including:
 - i) the frequency and location of Board and committee meetings;
 - ii) procedures for establishing meeting agendas and the conduct of meetings; and
 - iii) the availability, relevance and timeliness of discussion papers, reports and other information required by the Board.
10. **Board Independence.** The Committee will monitor and assess the relationship between the Board and management, defining the limits to management's responsibilities and making such recommendations as it may deem necessary with a view to ensuring that the Board is able to function independently of management.
11. **Insider Trading and Reporting.**
- a) The Committee will periodically review and approve any material changes to ZYUS' insider Trading Policy respecting ZYUS' securities, including mandatory black-out periods during which directors and senior management of ZYUS are prohibited from trading in securities of ZYUS.
 - b) The Committee will periodically review management's systems and practices for ensuring that all directors and all officers of ZYUS who are required to do so file insider reports in connection with any trade of securities of ZYUS or any derivative transaction that results in the effective disposition of the individual's economic interest in a security of ZYUS within the shortest period of time in which such reports are required to be filed.
12. **Disclosure Requirements.** The Committee will annually review and approve the disclosure of ZYUS' corporate governance practices to be made in the proxy circular prepared in connection with the annual meeting of shareholders, and such other disclosure as may be determined.
13. **General.** The Committee will undertake on behalf of the Board such other corporate governance initiatives as may be necessary or desirable to enable the Board to provide effective corporate governance for ZYUS and to contribute to the success of ZYUS and enhance shareholder value.

THIS CHARTER

14. **Periodic Review.** The Committee will review and reassess the adequacy of this Charter periodically as it deems appropriate and recommend changes to the Board. The performance of the Committee will be evaluated with reference to this Charter annually.
15. **Disclosure.** The Committee will ensure that this Charter is disclosed as deemed necessary and that this Charter or a summary of it that has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

APPENDIX E



CORPORATE GOVERNANCE GUIDELINES

1. INTRODUCTION

The Board of Directors (the “**Board**”) of ZYUS Life Sciences Corporation (the “**Company**”) has adopted these corporate governance guidelines to promote the effective functioning of the Board and to assist the Board in fulfilling its responsibilities. These guidelines describe the principles and best practices that the Board will follow in carrying out those responsibilities. These guidelines will be reviewed by the Corporate Governance and Nominating Committee from time to time to ensure that they effectively promote the best interests of both the Company and its stockholders and that they comply with all applicable laws, regulations and stock exchange requirements.

2. DIRECTOR QUALIFICATION STANDARDS

(a) *Selection of Directors*

- The Corporate Governance and Nominating Committee is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board. The Corporate Governance and Nominating Committee will take into account in that respect the factors set forth in its charter from time to time.
- In nominating candidates to serve as a slate of directors, the Board’s objective, with the assistance of the Corporate Governance and Nominating Committee, is to select individuals with skills and experience that can be of assistance to management in operating the Company’s business.
- ZYUS’ mission is to be financially successful by reimagining the potential of phyto-therapeutics to alleviate human suffering and restore health and well-being. This mission is supported by the Company’s core values of people (purpose, dedication and passion), patients (restoring health and humanity), potential (based on clinical research and medical education) and performance (best in class). When evaluating the recommendations of the Corporate Governance and Nominating Committee, the Board should consider whether individual directors reflect these core values, possess the highest personal and professional ethics and are committed to representing the long-term interests of the shareholders and patients.
- ZYUS endeavors to have a Board representing diverse experience in policy-making at various levels of business, government, education and technology, and in areas that are relevant to the Company’s life sciences activities. The Board as a whole should possess all of the following core competencies, with each candidate contributing knowledge, experience and skills in at least one domain: accounting and finance, public companies, scientific research, healthcare, business judgment, management, industry knowledge, leadership and strategy/vision. Recruiting, hiring and nurturing the careers of women and minorities and increasing diversity of the Company’s suppliers are also top priorities for ZYUS, and the Board intends to maintain its diversity as well. The Board should monitor the mix of specific experience, qualifications and skills of its directors in order to assure that the Board, as a whole,

has the necessary tools to perform its oversight function effectively in light of the Company's business and structure.

- If the Company is legally required by contract or otherwise to provide third parties with the ability to nominate directors (for example, preferred stock rights to elect directors upon a dividend default, stockholder agreements and management agreements), the Board may exempt the selection and nomination of such directors from the Board selection, composition and evaluation process set forth in the charter of the Corporate Governance and Nominating Committee.

(b) ***Security Clearance Under the Cannabis Act (Canada)***

The *Cannabis Act* (Canada) requires that all directors be security cleared by Health Canada prior to acting as a director of the Corporation. The Board (with the assistance of the Governance and Nominating Committee) shall:

- Plan board nominations and succession ahead and apply early: While the length of security clearances may vary, in some cases, the process can take up to a year or more. Delays could make the difference between compliance with "independent director" and committee quorum requirements.
- Understand the background of proposed directors: In identifying and creating a list of proposed board nominees, the Governance and Nominating Committee and Board should know the background of proposed board members and perform preliminary background checks prior to beginning the security clearance process.

(c) ***Independent Directors***

To increase the quality of the Board's oversight and to lessen the possibility of damaging conflicts of interest, the Board shall have a majority of "independent directors," as defined from time to time by the TSX Venture Exchange (the "Exchange"), by law applicable to the Company or by any rule or regulation of any other regulatory body or self-regulatory body applicable to the Company.

(d) ***Board Determination of Independence***

- The Board shall make an affirmative determination at least annually as to the independence of each director.
- No director will be considered "independent" unless the Board affirmatively determines that the director has no material relationship with the Company (directly or as a partner, stockholder or officer of an organization that has a relationship with the Company).
- When making "independence" determinations, the Board shall broadly consider all relevant facts and circumstances, as well as any other facts and considerations specified by the Exchange, by law applicable to the Company or by any rule or regulation of any other regulatory body or self-regulatory body applicable to the Company. When assessing the materiality of a director's relationship with the

Company, the Board shall consider the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. The Board shall adopt categorical standards, from time to time, to assist in its assessment of the independence of directors.

- Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no material relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

(e) ***Additional "Independence" Requirements for Audit and Compensation Committee Membership***

No director may serve on the Audit Committee or Compensation Committee of the Board unless such director meets all of the criteria established for such committee service by the Exchange, relevant securities commissions (the "Applicable Securities Commissions") and any other law and any other rule or regulation of any other regulatory body or self-regulatory body applicable to the Company.

(f) ***Additional Director Qualifications***

- The Board does not believe that its members should be prohibited from serving on the boards and/or committees of other organizations, provided that directors may sit on no more than four other public company boards at the same time.
- In addition, the Corporate Governance and Nominating Committee and the Board will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to the stockholders.
- Service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policy. The Chair of the Corporate Governance and Nominating Committee should be informed of any invitation to serve on another board of directors before the appointment is accepted.
- All directors are expected to make every effort to attend all meetings of the Board, meetings of the committees of which they are members and the annual meeting of stockholders. At a minimum, all directors are expected to attend at least 75% of Board and committee meetings. Any director who fails to maintain a 75% attendance level during any year will be asked to self-evaluate whether he or she should stand for re-election. The Board will evaluate the director's response on a case-by-case basis, taking into consideration the reasons for the absences, in determining whether to re-

nominate the director for an additional term (and in extreme circumstances, removal from the Board).

- In the event any director undergoes a change of employment (other than for the same employer), or accepts any employment, advisory engagement, consultancy, directorship or similar capacity with any organization that is a competitor of any of the Company's lines of business, such director shall notify the Chair of the Corporate Governance and Nominating Committee within 10 days and tender in writing his/her letter of resignation from the Board, subject to acceptance by the Board. The Corporate Governance and Nominating Committee shall consider whether such change in employment or engagement with a competitor has any bearing on the director's ability to serve, the Board's goals regarding Board composition, and any other factors considered appropriate and relevant. The Corporate Governance and Nominating Committee shall recommend to the Board whether to accept such resignation, and the Board shall determine whether to accept or reject such resignation.

(g) ***Disclosure of Independence Determinations***

- The Company shall disclose in its annual proxy circular the Board's independence determination, including the basis for determining that a relationship is not material, with respect to each director standing for election and each continuing director.
- The Company shall promptly disclose the independence of any director elected by the Board.

3. DIRECTOR RESPONSIBILITIES

(a) **Board Meetings**

- The Board shall meet as frequently as needed for directors to discharge properly their responsibilities. Without limiting the foregoing, the Board shall hold at least four regular meetings per year and special meetings as required.
- Every effort should be made to schedule meetings sufficiently in advance to ensure maximum attendance at each meeting. All directors are expected to participate, whether telephonically or in person, in all Board meetings, review relevant materials, serve on Board committees, and prepare appropriately for meetings and for discussions with management.
- Each director is expected to devote the time and attention necessary to properly discharge his or her responsibilities as director.

(b) **Conduct of Meetings**

- Board meetings shall be run by the Chairperson of the Board, and shall be conducted in accordance with customary practice in a manner that ensures open communication, meaningful participation and timely resolution of issues.
- The Chairperson of the Board shall set the agenda for each meeting together with management. All directors should be given the opportunity to raise items for consideration to be placed on the agenda.
- Management and any committees of the Board should provide directors with materials concerning matters to be acted upon in advance of the applicable meeting. Directors should review such materials carefully prior to the applicable meeting.

(c) **Executive Sessions of Non-Management Directors**

- Those directors of the Company who are not officers of the Company shall hold regular executive sessions at which management, including the Company's chief executive officer (the "CEO"), is not present. These sessions shall be scheduled in advance and shall occur, at a minimum, in connection with each regularly scheduled meeting of the Board.
- The Chairperson of the Board, or failing this person, the Chairperson of the Audit Committee, will preside at all non-management executive sessions to be held in the coming year and the Company shall disclose this practice in the Company's annual proxy circular..
- In order that interested parties may be able to make their concerns known to the non-management directors, the Company must disclose in its annual proxy circular the existence of the Company's Whistleblower Policy and a means for its stockholders, its employees and other interested parties to access the same.
- If non-management executive sessions include a director who is not "independent" as described in Section II.C hereof, the "independent directors" shall hold at least one non-management executive session a year, which includes only the "independent directors."

(d) **Notification of Non-Independence**

If any independent director becomes aware of the occurrence of an event that would likely cause, or has caused, such director to be disqualified as an independent director pursuant to the criteria set forth in Section II.C hereof, such director shall promptly notify the Board and the Company's in-house counsel of such event and/or such disqualification.

(e) **Notification of Charges and Offences**

If a director is charged with or found guilty of, an offence under the *Cannabis Act* (Canada), the *Controlled Drugs and Substances Act* (Canada) or the *Criminal Code*

(Canada), the individual must, without delay, provide both ZYUS' Director of Security and the Minister of Health with notice in writing.

(f) **Confidentiality**

Pursuant to the Company's Code of Conduct and Business Ethics, directors must maintain the confidentiality of information entrusted to them by the Company, its subsidiaries or their respective customers and collaborators and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to ZYUS, its subsidiaries or their respective customers or collaborators, if disclosed. It also includes information pertaining to the operation and activities of the Board, including but not limited to meeting materials and minutes. The obligation to preserve confidential information continues even after the director's relationship with ZYUS ends.

4. **DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

(a) ***Board Access to Management***

- Directors shall have complete access to the Company's management in order to become and remain informed about the Company's business and for such other purposes as may be helpful to the Board in fulfilling its responsibilities. Directors are expected to use judgment to be sure that this contact is not distracting to the business operations of the Company and that the CEO is appropriately informed of significant contacts between the Board members and management.
- The Board encourages management to, from time to time, invite to Board meetings managers who (i) can provide additional insight into the matters being discussed because of responsibility for and/or personal involvement in such matters and/or (ii) are managers with future potential that the senior management believes should be given exposure to the Board.

(b) ***Director Access to Independent Advisors***

- The Board shall, at the Company's expense, have the autonomy to retain such outside professionals to act as advisors to the Board and/or management as may be deemed necessary or appropriate in the discharge of their duties.
- Board committees may wish to retain their own outside counsel, consultants and other professionals to advise them in the discharge of their duties. The parameters for any such retention shall be set forth in the respective committee charters.

(c) ***Funding for Committee Advisors***

- The Company shall provide appropriate funding as determined by the Audit and Finance Committee, for payment of compensation: (i) to the independent registered public accounting firm employed by the Company for the purposes of rendering an

audit report; and (ii) to any other advisers employed, engaged or supervised by the Audit and Finance Committee.

- The Company shall provide appropriate funding as determined by the Corporate Governance and Nominating Committee and the Compensation Committee, respectively, and to any Board committee which is permitted under its charter to employ outside advisors, to any advisers employed by such committees.

5. **DIRECTOR COMPENSATION**

(a) ***Compensation Generally***

- The Board, with the assistance of the Compensation Committee, shall periodically review director compensation (including any additional compensation for the Chairperson, committee members and committee chairpersons) in comparison to companies that are similarly situated to ensure that such compensation is reasonable, competitive and customary. Directors and chairpersons may be awarded compensation sufficient to compensate them for the time and effort they expend to fulfill their duties.
- The Compensation Committee shall be responsible for recommending to the Board the compensation and benefit programs for non-employee directors. The Compensation Committee shall recommend compensation that is appropriate for a company of the complexity and size of the Company.
- A portion of the directors' compensation may be in the form of cash retainers, and a portion may be in the form of stock grants or stock equivalent units or other forms of equity. Members of Board committees may receive additional compensation. Directors who are employees of the Company shall not receive compensation for serving as a director.
- The Company shall disclose its policy regarding compensation for directors in its annual proxy statement.

(b) ***Other Compensation***

- The Board, with the assistance of the Corporate Governance and Nomination Committee, shall review any charitable or political contributions to be made by the Company to organizations with which any director is affiliated. In addition, the Board with the assistance of the Audit Committee shall review all consulting contracts with, or other arrangements that provide other indirect forms of compensation to, any director or former director.

(c) ***Stock Ownership***

- As part of a director's total compensation and to more closely align the interests of directors and the Company's stockholders, the Board believes that a meaningful portion of a director's compensation should be paid in the form of common stock of the Company.

6. **DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

(a) ***Orientation***

- To the extent requested, the Company shall make available an orientation program for all newly elected directors so that they may be fully informed as to their responsibilities and the means at their disposal for the effective discharge of such responsibilities.
- The new directors shall be introduced to such management and other personnel, as well as representatives of the Company's outside legal, accounting and other advisors, as is appropriate to familiarize them with the resources available to them.

(b) ***Continuing Education***

- Each director shall be entitled to attend any continuing education program for directors approved by the Corporate Governance and Nominating Committee at the Company's expense.

7. **MANAGEMENT SUCCESSION**

(a) ***CEO Succession***

- The Board, with the assistance of the Compensation Committee, shall establish policies, principles and procedures for the selection of the CEO and his or her successors, including policies regarding succession in the event of an emergency or the retirement of the CEO.

(b) ***Management Succession Planning***

- The Board, with the assistance of the Compensation Committee, shall review annually with the CEO succession plans relating to senior management positions of the Company.

8. **ANNUAL PERFORMANCE EVALUATIONS**

(a) ***Board Evaluation***

- The Corporate Governance and Nominating Committee shall:
 - evaluate the Chair of the Board, the Chair of each Committee and the and the performance and contribution of individual directors, having regard for the position descriptions for the Board and Chair of the Board and the results of annual surveys of the directors, attendance at Board and Board committee meetings and overall contribution.
 - annually assess the effectiveness of the Board as a whole and its committees, including the Corporate Governance and Nominating Committee, having regard for

the mandate of the Board and the charter of the relevant Board committee, as the case may be, and make recommendations to the Board.

- oversee policies, principles and procedures for such evaluation.
- As appropriate, the Board shall then meet in executive session to discuss these assessments.

(b) ***Evaluation of Board Committees***

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board, acting through the Corporate Governance and Nominating Committee. Each committee's evaluation should compare the performance of the committee with the requirements of its written charter.

(c) ***Evaluation of CEO***

- The Compensation Committee shall establish policies, principles and procedures for the evaluation of the CEO. Such evaluation shall be based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives and development of management.
- This evaluation shall be made annually under the oversight of the Compensation Committee.

9. BOARD COMMITTEES

(a) ***Number and Independence of Committees***

- The Board shall have an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee, each to be comprised of a number of independent directors as set forth in the charter of each committee. The Board may have such additional committees as the Board determines in accordance with the by-laws of the Company.
- Each committee of the Board shall comply with any applicable director independence requirements of the Exchange, Applicable Securities Commissions and any other applicable law or any rule or regulation of any other regulatory body or self-regulatory body applicable to the Company.

(b) ***Selection of Committee Members***

- The Board, with the assistance of the Chair of the Corporate Governance and Nominating Committee, shall select the directors to serve on each committee, giving consideration to the independence and other requirements of the Exchange and the Applicable Securities Commissions (and any other applicable law or any rule or regulation of any other regulatory body or self-regulatory body applicable to the Company) and to any recommendations put forth by the Corporate Governance and Nominating Committee.

- Because of each committee's demanding role and responsibilities, and the time commitment attendant to membership on each committee, each prospective committee member, prior to being nominated, should be encouraged to evaluate carefully the existing demands on his or her time before accepting any nomination.

(c) ***Responsibilities***

- The Board shall adopt a written charter for such committee in compliance with all applicable rules and regulations.
- The Corporate Governance and Nominating Committee will review from time to time, and at least annually, the charters of the committees of the Board and make recommendations regarding the charters to the Board and recommend timely changes in the role, size, composition and structure of Board committees.
- The charters for each of the Corporate Governance and Nominating Committee, the Compensation Committee and the Audit Committee shall include, at a minimum, those responsibilities required to be set forth therein by the rules of the Applicable Securities Commissions, the Exchange, by law or by the rules or regulations of any other regulatory body or self-regulatory body applicable to the Company.
- Each committee shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee.

10. FURTHER CORPORATE GOVERNANCE GUIDELINE RECOMMENDATIONS

(a) ***Corporate Objective and Mission of the Board of Directors***

- The Board acts as the ultimate decision-making body of the Company and advises and oversees management, who are responsible for the day-to-day operations and management of the Company. In fulfilling these roles, each director must act in what he or she reasonably believes to be in the best interests of the Company and its stockholders and must exercise his or her business judgment.

(b) ***Board Size***

- The Board should determine, with the assistance of the Corporate Governance and Nominating Committee, the appropriate Board size, taking into consideration any parameters set forth in the Company's articles of incorporation and by-laws as well as any applicable contractual obligations of the Company, and periodically assess overall Board composition to ensure the most appropriate and effective Board membership mix.
- The Board should neither be too small to maintain the needed expertise and independence, nor too large to be efficiently functional. If appropriate, the Board should recommend amendments to the Company's charter or by-laws in order to provide for a different Board size than may be set forth therein.

(c) ***Shareholder Rights Plans***

Although the Company currently has not adopted a shareholder rights plan, in the future the Board may determine that it would be appropriate and in the best interests of the Company and its stockholders to adopt such a plan. In the event the Board adopts such a plan in the future, it is the Company's policy that such adopted plan be submitted to its stockholders for ratification at the next annual meeting of the Company's stockholders after such Board adoption and, if not so ratified, be terminated promptly after such meeting; provided, however, that if such plan is adopted within 90 days preceding the date of the Company's annual meeting, it is the Company's policy that such plan be submitted to its stockholders for ratification at the annual meeting for the following fiscal year of the Company.