



**NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD ON
WEDNESDAY, MAY 20, 2015**

AND

MANAGEMENT PROXY CIRCULAR

April 20, 2015



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the shareholders of Theratechnologies Inc. (the “**Corporation**”):

NOTICE IS HEREBY GIVEN that an annual meeting of shareholders (the “**Meeting**”) of the Corporation will be held at the McCord Museum, 690 Sherbrooke Street West, Montreal, Québec, on Wednesday, May 20, 2015 at 10:00 a.m., local time, for the following purposes:

- (1) to receive the consolidated financial statements for the fiscal year ended November 30, 2014, as well as the auditors' report thereon;
- (2) to elect directors for the ensuing year;
- (3) to appoint auditors for the ensuing year and authorize the directors to set their compensation; and
- (4) to transact such other business as may properly come before the Meeting.

A shareholder who is unable to attend the Meeting in person may appoint another person (who need not be a shareholder of the Corporation) to represent him or her at the Meeting by completing the enclosed form of proxy or the one provided by your intermediary (stockbroker, bank, trust or trustee) and returning same to the Corporate Secretary of the Corporation, c/o Computershare Trust Company of Canada, 1500 University Street, 7th Floor, Montreal, Québec, Canada H3A 3S8, prior to 5:00 p.m. (Eastern Time) on May 15, 2015.

DATED at Montreal, Québec, Canada, April 20, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Jocelyn Lafond

Jocelyn Lafond
Vice President, Legal Affairs, and Corporate Secretary
Theratechnologies Inc.
2015 Peel Street, 5th Floor
Montreal, Québec, Canada H3A 1T8



MANAGEMENT PROXY CIRCULAR

The information contained in this management proxy circular (the “Circular”) is given as at April 20, 2015, except as otherwise noted. All dollar amounts set forth herein are expressed in Canadian dollars and the symbol “\$” refers to the Canadian dollar, unless otherwise indicated.

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ITEM I. INFORMATION RELATING TO VOTING

You may vote your shares either through a proxy or in person at the annual meeting of shareholders of the Corporation (the “**Meeting**”).

1. By Proxy

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies, by the Corporation’s management, to be used at the Meeting of Theratechnologies Inc. (the “**Corporation**” or “**Theratechnologies**”) to be held on Wednesday, May 20, 2015, at the time, place and for the purposes set forth in the attached Notice of Annual Meeting of Shareholders (the “**Notice of Meeting**”) and at any continuation of the Meeting after adjournment thereof.

The solicitation of proxies is being primarily made by mail but proxies may also be solicited by telephone, telecopy or other personal contact by officers or other employees of the Corporation. Our employees will receive no compensation for these services. The entire cost of the solicitation will be borne by the Corporation.

Terms of Proxy Grant

By completing the enclosed form of proxy, or the one provided by your intermediary, you appoint the persons proposed in that form to represent your interests and vote your shares on your behalf at the Meeting. The persons named in the enclosed form of proxy are directors or officers of the Corporation. **However, you have the right to appoint a person or corporation other than the ones designated in the form of proxy to represent you at the Meeting.** To do this, you must insert such person's name in the blank space provided in the form of proxy enclosed hereto or complete another form of proxy. It is not necessary to be a shareholder of the Corporation in order to act as a proxy.

If you hold your shares through an intermediary (a stockbroker, a bank, a trust, a trustee, etc.), you are not a registered shareholder in the registry of shareholders of the Corporation held by Computershare Trust Company of Canada (“**Computershare**”). Therefore, you cannot vote your shares directly at the Meeting. If this is your situation, you will receive from your intermediary explanation as to how to appoint proxies and have them vote your shares. To ensure that your instructions are respected, you must deliver them to your intermediary within the prescribed deadline. **For any questions, please contact your intermediary directly.**

Proxy Voting

The persons named or appointed in the form of proxy will, on a show of hands or any ballot that may be called, vote (or withhold from voting) your shares in respect of which they are appointed as proxies in accordance with the instructions given in the form of proxy. **In the absence of instructions, the voting rights attached to the shares referred to in your form of proxy will be exercised FOR the matters mentioned in the attached Notice of Meeting.**

Furthermore, the enclosed form of proxy confers upon the proxy holder a discretionary power with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to all other matters which may properly come before the Meeting, or any continuation after adjournment thereof. However, to our knowledge, all matters to be brought before the Meeting are mentioned in appropriate fashion in the Notice of Meeting.

Delivery of Form of Proxy and Deadlines

If you hold your shares personally and are a registered shareholder in the registry of shareholders of the Corporation, please send the completed form of proxy to the Secretary of the Corporation, c/o Computershare Trust Company of Canada, 1500 University Street, 7th Floor, Montreal, Québec H3A 3S8, prior to 5:00 p.m. (Eastern Time) on May 15, 2015 (unless you attend the Meeting in person). All shares represented by proper proxies accompanied by duly completed declarations received by Computershare at the latest on such date and prior to such time will be voted in accordance with your instructions as specified in the proxy form on any ballot that may be called at the Meeting.

If you hold your shares through an intermediary, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein. **For any questions, please contact your intermediary directly.**

Revocation of a Proxy

You may, at any time, including any continuation of the Meeting after adjournment thereof, revoke a proxy for any business with respect to which said proxy confers a vote that has not already been cast.

If you hold your shares personally and are a registered shareholder in the registry of shareholders of the Corporation, please send a written notice to revoke a proxy bearing your signature or that of your proxy (or a representative of your proxy if your proxy is a corporation) to the Corporate Secretary of the Corporation, c/o Computershare Trust Company of Canada, 1500 University Street, 7th Floor, Montreal, Québec H3A 3S8, prior to 5:00 p.m. (Eastern Time) on May 15, 2015. You may also revoke a proxy in person at the Meeting by making a request to that effect to the Secretary of the Corporation.

If you hold your shares through an intermediary, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein. **For any questions, please contact your intermediary directly.**

Non-Registered-Holders

The information set forth in this section should be reviewed carefully by the non-registered shareholders. Shareholders who do not hold their shares in their own name (“**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, those shares will, in all likelihood, not be registered in the shareholder's name. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure

that their shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

The vast majority of brokers now delegate responsibility of obtaining instructions from clients to Broadridge Financial Solutions Inc. (“BFSI”) in Canada. BFSI typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to BFSI, or otherwise communicate voting instructions to BFSI (by way of the Internet or telephone, for example). BFSI then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a BFSI voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction forms must be returned to BFSI (or instructions respecting the voting of shares must otherwise be communicated to BFSI) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact your broker or other intermediary for assistance.

This Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of NI 54-101 issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation’s OBOs can expect to be contacted by BFSI or their brokers or their broker’s agents as set out above.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or his or her broker's agent), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares as proxyholder for the registered shareholder by entering his or her own name in the blank space on the proxy form provided to him or her by his or her broker (or his or her broker's agent) and return it to that broker (or that broker's agent) in accordance with the broker's instructions (or the agent's instructions).

All references to shareholders in this Circular, the enclosed form of proxy and the Notice of Meeting are to the registered shareholders unless specifically stated otherwise.

2. In Person

If you hold your shares personally and are a registered shareholder in the registry of shareholders of the Corporation, you may present yourself on the date, at the time and place set forth in the Notice of Meeting and register with the representatives of Computershare who will be at the Meeting. You should then follow voting instructions given by the Chair of the Meeting.

If you hold your shares through an intermediary and you wish to vote your shares in person at the Meeting, please proceed as indicated in the documentation sent by your intermediary. **For any questions, please contact your intermediary directly.**

3. Voting Securities and Principal Holders

As at April 20, 2015, there were 61,010,603 common shares (the “**Common Shares**”) of the Corporation issued and outstanding. The Common Shares are the only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share entitles its holder to one vote with respect to the matters voted on at the Meeting.

Holders of Common Shares whose names are registered on the lists of shareholders of the Corporation as at 5:00 p.m. (Eastern time) on April 15, 2015, being the date fixed by the Corporation for determination of the registered holders of Common Shares who are entitled to receive notice of the Meeting and to vote at the Meeting (the “**Record Date**”), will be entitled to exercise their voting rights attached to the Common Shares in respect of which they are so registered at the Meeting, or any continuation after adjournment thereof, if present or represented by proxy thereat.

To our knowledge, no person beneficially owns, or controls or directs control, directly or indirectly, over more than ten percent (10%) of the outstanding Common Shares of the Corporation, except Armistice Capital, LLC who filed a report on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website disclosing that it held 11.43% (6,975,500) of all outstanding Common Shares of the Corporation as at January 31, 2015.

ITEM II. SUBJECTS TO BE TREATED AT THE MEETING

1. Receipt of Financial Statements

The consolidated financial statements for the fiscal year ended November 30, 2014 together with the auditors' report thereon will be presented at the Meeting. The financial statements have been mailed to you if you requested them, along with this Circular. The financial statements are also available as part of the Corporation's filings on SEDAR website at www.sedar.com. No vote is required on this matter.

2. Election of Directors

Composition of the Board of Directors

The articles of the Corporation provide that the board of directors of the Corporation (the "**Board**") must consist of a minimum of three (3) and a maximum of twenty (20) directors. The Board is currently composed of six (6) directors.

At a meeting of the Board held on February 21, 2013, the Board adopted a majority voting policy (the "**Majority Voting Policy**") regarding the election of directors of the Corporation. Pursuant to the Majority Voting Policy, a nominee for election as a director of the Corporation who receives a greater number of votes "withheld" than votes "for", with respect to the election of directors by shareholders, will be expected to offer to tender his or her resignation to the Chairman of the Board promptly following the meeting of shareholders at which the director was elected. The Nominating and Corporate Governance Committee will consider such offer and make a recommendation to the Board whether to accept it or not. The Board will make its decision and announce it in a press release within ninety (90) days following the meeting of shareholders. The director who offered to tender his or her resignation should not be part of any committee or Board deliberations pertaining to the resignation offer. This Majority Voting Policy only applies in circumstances involving an uncontested election of directors.

An "uncontested election of directors" means an election of directors in respect of which (i) the number of director nominees is the same as the number of directors proposed by management to be elected to the Board; or (ii) no proxy materials are circulated in support of one or more nominees who are not part of the candidates proposed by management.

All of the nominees mentioned below under "Nominees" for the director positions of the Corporation are elected for a one year term ending at the next annual meeting of shareholders or when his/her successor is elected, unless he/she resigns or the position becomes vacant as a result of death, dismissal or otherwise, prior to said meeting.

Nominees

Management proposes that six (6) directors be elected at the Meeting. Management does not contemplate that any of the nominees listed in the table below will be unable to fulfill his/her mandate as director.

The following table sets forth, for each nominee, the following information:

- his/her name;
- his/her age;
- his/her place of residence;
- his/her independence from the Corporation;
- the date he/she became a director;

- his/her principal occupation;
- his/her biography;
- his/her areas of expertise;
- his/her memberships on the committees of the Board of the Corporation;
- the number of Board and committee meetings attended in the fiscal year ended November 30, 2014;
- the number of Common Shares, deferred share units (“DSUs”) and stock options held or controlled; and
- whether he/she acts as a director of other public companies (or private companies when in the same industry as the Corporation).

Some of the information set out in the table below with respect to the nominees is not within the knowledge of the Corporation and was provided by each nominee. The information relating to the number of Common Shares, DSUs and options held by the nominees in the table below is at the date of this Circular and is based exclusively on reports filed on the Canadian System for Electronic Disclosure by Insiders as at that date. The information appearing under “Cease Trade Orders, Bankruptcies, Penalties or Sanctions” is based on the statements made by the nominees.

Unless instructions are given to withhold from voting with regard to the election of one or more nominees to act as directors, the persons whose names appear on the enclosed form of proxy will vote FOR the election of each of the nominees whose names are set out in the table below.



Gérald A. Lacoste

Age: 71
Rivière-Rouge,
Québec, Canada

**Independent
Director since:**
February 8, 2006

Areas of Expertise:
- Securities and
Market Regulations
- Corporate
Governance
- Mergers &
Acquisitions

Other Directorship:
None

Principal Occupation		Corporate Director	
Gérald A. Lacoste is a retired lawyer with extensive experience in the fields of securities regulation, financing and corporate governance. He was previously Chairman of the Québec Securities Commission (now known as the <i>Autorité des marchés financiers</i>) and was also President and Chief Executive Officer of the Montreal Exchange. During his career, Mr. Lacoste acted as legal counsel to the Canadian Standing Senate Committee on Banking, Trade and Commerce, he chaired the Québec Advisory Committee on Financial Institutions, and was a member of the task force on the capitalization of life insurance companies in Québec. Mr. Lacoste is currently a corporate director and is a member of the North American Free Trade Agreement (NAFTA) arbitration panel.			
Committee Membership and Meetings Attended in Fiscal Year 2014		#	%
Board of Directors		19	95
Audit Committee		5	100
Nominating and Corporate Governance Committee		1	100
Securities Held or Controlled			
Common Shares (#)	DSU (#)	Options (#)	
71,000	20,042	35,000	
Committees of the Board of Directors			
President of Nominating and Corporate Governance Committee Member of Audit Committee			



David D. Lilley


Age: 57
Morrisville, North
Carolina
United States


**Independent
Director**


Areas of Expertise:
- Pharmaceutical
Industry
- Research &
Development


Other Directorship:
SFJ Pharmaceuticals, Inc.

Principal Occupation		Corporate Director	
David D. Lilley has been actively involved in a number of different roles in the pharmaceutical industry on a worldwide basis. He has worked in both the pharma and services sectors of the industry and has been involved in both the development and commercialization of prescription medicines. He has been acting as managing partner of Pleasanton Pharma Ventures since 2014. From 2008 to 2010, he was executive vice president of Campbell Alliance where he created and oversaw strategic relationships with clients new to the firm. Prior to that, he spent 12 years (1996-2008) at Quintiles International (“ Quintiles ”) where he held various executive positions. During his tenure at Quintiles, he was initially responsible for leading the global marketing and business development. He later was appointed to be global president of Innovex UK Ltd., the contract sales and marketing division of the company. He also oversaw a number of strategic acquisitions with a focus on new services or geographic expansion. David holds a degree in Medicinal Chemistry from the University of London.			
Committee Membership and Meetings Attended in Fiscal Year 2014		#	%
N.A.		N.A.	N.A.
Securities Held or Controlled			
Common Shares (#)	DSU (#)	Options (#)	
Nil	Nil	Nil	
Committees of the Board of Directors			
Nil			

 <p>Paul Pommier Age: 72 Laval, Québec, Canada</p> <p>Independent Director since: January 6, 1997</p> <p>Areas of Expertise: - Corporate Finance - Securities - Mergers & Acquisitions</p> <p>Other Directorship: None</p>	Principal Occupation		Corporate Director	
	Mr. Paul Pommier worked for more than 25 years at National Bank Financial Inc., his last position being Senior Executive Vice President, Corporate and Government Finance. Throughout his career, he oversaw public and private financings, mergers and acquisitions, as well as the marketing of investment offerings. Under his leadership, National Bank Financial Inc. developed notable expertise in tax-shelter financings.			
	Committee Membership and Meetings Attended in Fiscal Year 2014		#	%
	Board of Directors		19	89
	Audit Committee		5	100
	Compensation Committee		1	100
	Securities Held or Controlled			
	Common Shares (#)	DSU (#)	Options (#)	
	220,100	120,314	40,000	
	Committees of the Board of Directors			
President of Audit Committee Member of Compensation Committee				

 <p>Dawn Svoronos Age: 61 Hudson, Québec Canada</p> <p>Independent Director since: April 8, 2013</p> <p>Areas of Expertise: - Pharmaceutical Industry - Commercialization of Drug Products</p> <p>Other Directorship: Medivation, Inc.; AgNovos Healthcare.</p>	Principal Occupation		Corporate Director – Chair of the Board of the Corporation	
	Ms. Dawn Svoronos (formerly Graham) worked in the commercial side of the business for the multinational pharmaceutical company Merck & Co. Inc., for 23 years, retiring in 2011. From 2009 to 2011, Ms. Svoronos was President of the Europe/Canada region for Merck and from 2006 to 2009 was President of Merck in Canada. Previously held positions with Merck include Vice-President of Asia Pacific and Vice-President of Global Marketing for the Arthritis, Analgesics and Osteoporosis franchise. Ms. Svoronos sits on the Board of Directors of Medivation Inc. in San Francisco and is Chair of the Board of Directors for the Center for Drug Research & Development in Vancouver			
	Committee Membership and Meetings Attended in Fiscal Year 2014		#	%
	Board of Directors		19	100
	Nominating and Corporate Governance Committee		1	100
	Compensation Committee		1	100
	Securities Held or Controlled			
	Common Shares (#)	DSU (#)	Options (#)	
	85,000	N.A.	50,000	
	Committee of the Board of Directors			
Member of Nominating and Corporate Governance Committee Member of Compensation Committee				

 <p>Jean-Denis Talon ⁽¹⁾ Age: 73 Montreal, Québec, Canada Independent Director since: May 10, 2001 Areas of Expertise: - Human Resources - Governmental Relations - Mergers & Acquisitions Other Directorship: None</p>	Principal Occupation		Corporate Director	
	Mr. Jean-Denis Talon had a successful career with AXA Insurance over a period of more than 20 years, ultimately becoming President and Chief Executive Officer. He was Chairman of the Board of AXA Canada until September 2011. Mr. Talon is also a former President of the Financial Affairs Committee at the Insurance Bureau of Canada.			
	Committee Membership and Meetings Attended in Fiscal Year 2014		#	%
	Board of Directors		19	100
	Audit Committee		5	100
	Compensation Committee		1	100
	Securities Held or Controlled			
	Common Shares (#)	DSU (#)	Options (#)	
	80,000	3,000	40,000	
	Committees of the Board of Directors			
President of Compensation Committee Member of Audit Committee				

 <p>Luc Tanguay ⁽²⁾ Age: 56 Town of Mount Royal, Québec, Canada Non-independent Director since: December 6, 1993 Areas of Expertise: - Corporate Finance - Securities - Mergers & Acquisitions Other Directorship: None</p>	Principal Occupation		President and Chief Executive Officer of the Corporation	
	Mr. Luc Tanguay has been active in the biotechnology industry for over 20 years. As a member of the Corporation's senior management since 1996, he has contributed to the Corporation's growth by facilitating access to public and private capital funding. A member of the board of directors since 1993, he has held various management positions since joining the Company. Prior to joining us, Mr. Tanguay had a career in investment banking at National Bank Financial Inc. Mr. Tanguay obtained his M. Sc. Finance from the University of Sherbrooke.			
	Committee Membership and Meetings Attended in Fiscal Year 2014		#	%
	Board of Directors		19	100
	Securities Held or Controlled			
	Common Shares (#)	DSU (#)	Options (#)	
	175,000	27,572	395,000	
	Committees of the Board of Directors			

(1) Mr. Talon was a member of the board of directors of Toptent Inc., or Toptent, from August 1, 2007 to November 26, 2009. On December 3, 2009, Toptent filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), or Bankruptcy Act. Subsequently, on May 7, 2010, Toptent filed a proposal under the Bankruptcy Act. The proposal was accepted by Toptent's creditors on May 20, 2010.

(2) Mr. Tanguay was a member of the board of directors of Ambrilia Biopharma Inc., or Ambrilia, from August 22, 2006 to March 30, 2010. On July 31, 2009, Ambrilia obtained court protection from its creditors under the *Companies' Creditors Arrangement Act* (Canada), or CCAA. The purpose of the order issued by the court granting Ambrilia protection from its creditors was to provide Ambrilia and its subsidiaries the opportunity to restructure its affairs. On July 31, 2009, the TSX halted the trading of Ambrilia's shares pending its review of Ambrilia's meeting the

requirements for continuous listing. On January 31, 2011, the TSX decided to delist the common shares of Ambrilia at the close of market on March 4, 2011 for failure to meet the continued listing requirements of the TSX. The common shares remain suspended from trading. On April 8, 2011, Ambrilia announced that it would seek permission to terminate the protection granted by the Superior Court pursuant to the CCAA and, upon permission of the Court, it would file for bankruptcy pursuant to the Bankruptcy Act. On April 12, 2011, Ambrilia went bankrupt.

Directors Compensation

The Corporation has a compensation policy for its directors who are not employed on a full-time basis by the Corporation. Until December 31, 2013, these directors were paid an annual retainer fee as well as attendance fees. Beginning on January 1, 2014, the Corporation changed the compensation policy for these directors. Under the new policy, these directors are paid an annual retainer fee only. Annual retainer fees are paid on the first day of each calendar quarter and, before January 1, 2014, attendance fees were paid on the last day of each calendar quarter for meetings held during such quarter. In addition, the Corporation's compensation policy provides for the reimbursement of all reasonable expenses incurred by each director who are not employed on a full-time basis by the Corporation to attend meetings of the Board and meetings of the committees of the Board.

The table below details the fee-based compensation that was payable in the last fiscal year to the Corporation's directors who were not employed on a full-time basis by the Corporation as board members and as committee members.

Position at Board Level or Committee Level	Compensation for Fiscal Year 2014 (December 2013 only)⁽¹⁾	Compensation for Fiscal Year 2014 (January 1 – November 30)
Annual Retainer to Chair of the Board.....	\$100,000	\$150,000
Annual Retainer to Board Members.....	\$17,500	\$50,000
Attendance Fees Paid for Each Meeting of the Board of Directors.....		
- in person	\$1,500	Nil
- by conference call.....	\$800	Nil
Annual Retainer to Chair of the Audit Committee.....	\$8,000	\$12,000
Annual Retainer to Chair of each Committee (other than the Audit Committee).....	\$6,000	\$8,000
Annual Retainer to Committee Members.....	\$3,000	\$4,000
Attendance Fees Paid for Each Meeting of a Committee.....		
- in person	\$1,000	Nil
- by conference call.....	\$800	Nil

(1) Only a small portion of these annual retainers was paid to the directors in the month of December 2013 to act as Chair of the Board and Board members and to act as Chair or member of a committee of the Board.

The table below details all components of the compensation provided to the directors of the Corporation for the fiscal year ended November 30, 2014 and the value thereof.

Name	Fees earned ⁽¹⁾⁽²⁾ (\$)	Share-based awards		Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
		(#)	(\$)					
Gilles Cloutier	85,517	--	--	--	--	--	--	85,517
Gérald A. Lacoste	88,434	--	--	--	--	--	--	88,434
Paul Pommier	93,517	--	--	--	--	--	--	93,517
Dawn Svoronos	198,828	--	--	--	--	--	--	198,828
Jean-Denis Talon	88,434	--	--	--	--	--	--	88,434

- (1) Comprise attendance fees for meetings of the Board and for meetings of the committees of the Board held in December 2013.
- (2) Gilles Cloutier, Gérald A. Lacoste, Paul Pommier, Dawn Svoronos and Jean-Denis Talon were each part of a strategic review committee of the Board, established on March 24, 2014, to perform an on-going analysis of various possible scenarios involving the Corporation while taking into consideration its operational and financial situations. The fees indicated in this column include the retainer fees earned by each of these directors. The annual retainer for the chair of such committee (Dawn Svoronos) was \$70,000 and for all other members was \$40,000.

Outstanding Option-Based Awards and Share-Based Awards

The table below details all outstanding option-based awards and outstanding share-based awards as at November 30, 2014 for each of the directors who is not an employee of the Corporation.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾ (\$)
Gilles Cloutier	5,000	1.75	2015.05.06	Nil	--	--	1,110
	5,000	1.86	2016.03.30	Nil			
	5,000	8.29	2017.03.29	Nil			
	5,000	1.80	2018.12.18	Nil			
	10,000	1.84	2019.03.28	Nil			
	10,000	4.75	2020.06.08	Nil			
Gérald A. Lacoste	5,000	1.86	2016.03.30	Nil	--	--	7,416
	5,000	8.29	2017.03.29	Nil			
	5,000	1.80	2018.12.18	Nil			
	10,000	1.84	2019.03.28	Nil			
	10,000	4.75	2020.06.08	Nil			
	10,000	4.75	2020.06.08	Nil			
Paul Pommier	5,000	1.75	2015.05.06	Nil	--	--	44,516
	5,000	1.86	2016.03.30	Nil			
	5,000	8.29	2017.03.29	Nil			
	5,000	1.80	2018.12.18	Nil			
	10,000	1.84	2019.03.28	Nil			
	10,000	4.75	2020.06.08	Nil			

	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾ (\$)
Dawn Svoronos	50,000	0.26	2023.05.29	Nil	--	--	--
Jean-Denis Talon	5,000	1.75	2015.05.06	Nil	--	--	1,110
	5,000	1.86	2016.03.30	Nil			
	5,000	8.29	2017.03.29	Nil			
	5,000	1.80	2018.12.18	Nil			
	10,000	1.84	2019.03.28	Nil			
	10,000	4.75	2020.06.08	Nil			

- (1) The value of unexercised in-the-money options at fiscal year-end is the difference between the closing price of the Common Shares on November 28, 2014 (\$0.37) on the TSX and the respective exercise price of the options. The TSX was closed for business on November 30, 2014.
- (2) Share-based awards are comprised of DSUs issued under the DSU Plan. The market or payout value of share-based awards that have vested as at November 30, 2014 is determined by multiplying the closing price of the Common Shares as at November 28, 2014 (\$0.37) on the TSX by the number of share-based awards held as at November 30, 2014. The TSX was closed for business on November 30, 2014. The actual payout value will vary based on the date on which the DSUs will be redeemed.

Incentive Plan Awards – Value vested or earned during the year

The table below details the value vested or earned during the fiscal year ended November 30, 2014 under each incentive plan for each of the directors who is not an employee of the Corporation.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Gilles Cloutier	Nil	--	--
Gérald A. Lacoste	Nil	--	--
Paul Pommier	Nil	--	--
Dawn Svoronos	Nil	--	--
Jean-Denis Talon	Nil	--	--

- (1) Share-based awards are comprised of DSUs issued under the DSU Plan. No DSUs were issued in the last fiscal year.

Directors and Executive Officers Shareholding Policy

In April 2013, the Board decided to suspend the Corporation's directors and executive officers shareholding policy (the "**Shareholding Policy**"), adopted in December 2010 and the grant of DSUs. Pursuant to the policy, each director was required to hold Common Shares, DSUs, or a combination thereof, representing at least 400% of the value of its annual retainer to act as a Board member of the Corporation. The shareholding value for the President and Chief Executive Officer was set at 300% of his annual base salary and he was given a three (3) to five (5) year period to hold such value. The shareholding value for the other executive officers was

intended to be 150% of their annual base salary. The value of an individual's shareholding was based on the higher of the acquisition cost of a Common Share and/or a DSU and its (their) fair market value. Any fluctuations in the fair market value of the Common Shares and DSUs had no effect on the compliance by an individual with the Shareholding Policy once such individual had reached the targeted value.

Directors' Mandatory Retirement Policy

The Board has adopted a formal retirement policy in the context of its succession planning process. Under this policy, directors who are not employees of the Corporation who reach the age of 75 or who have been acting as directors for 15 consecutive years may not be nominees for re-election at the subsequent annual meeting of shareholders. The current directors of the Corporation (other than Ms. Svoronos and Mr. Lilley) who are not employees of the Corporation are grandfathered from this policy.

Indebtedness of Directors

As at the date hereof, none of the directors of the Corporation and proposed nominee for election as director of the Corporation is indebted to the Corporation. During the last fiscal year of the Corporation, none of the directors of the Corporation was indebted to the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described in notes 1 and 2 under "Election of Directors – Nominees", to the knowledge of management of the Corporation, no nominee (a) is, as at the date of the Circular, or has been within the ten (10) years before the date of the Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty consecutive days; or (iii) 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 (b) has, within the ten (10) years before the date of the 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 his assets.

3. Appointment of Auditors

The Corporation's auditors for the current fiscal year must be elected at the Meeting. The Corporation proposes the appointment of KPMG LLP, chartered accountants from Montreal, who have been the Corporation's auditors since 1993. They will hold office until the next annual meeting of shareholders or until their successors are appointed. The table below sets forth the fees paid to the auditors of the Corporation for the fiscal years ended November 30, 2014 and 2013:

Fees	Fiscal year ended November 30, 2014 (\$)	Fiscal year ended November 30, 2013 (\$)
Audit Fees ⁽¹⁾	104,500	113,500
Audit-Related Fees ⁽²⁾	Nil	14,000
Tax Fees ⁽³⁾	194,433	49,875
Total:	298,933	177,375

(1) Refers to the aggregate fees billed by our external auditors for audit services.

(2) Refers to the aggregate fees billed for professional services rendered by our external auditors for translation.

(3) Refers to the aggregate fees billed for professional services rendered by our external auditors for tax compliance, tax advice and tax planning.

Unless instructions are given to withhold from voting with regard to the appointment of the auditors, the persons whose names appear on the enclosed form of proxy will vote FOR the appointment of KPMG LLP, chartered accountants, as auditors of the Corporation, and to authorize that compensation for their services be determined by the Board.

4. Other Matters to be Acted Upon

The Corporation will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting the proxy.

The Corporation did not receive any proposal from shareholders within the time limits prescribed by the *Business Corporations Act* (Québec) (the “Act”) and, accordingly, none will be accepted at the Meeting, except as required under the Act.

ITEM III. COMPENSATION

The compensation of the directors and the executive officers of the Corporation is reviewed by the compensation committee (the “**Compensation Committee**”). The Compensation Committee is currently comprised of four (4) independent directors, namely Jean-Denis Talon, who has been acting as chair since January 2011, Dawn Svoronos, Paul Pommier and Gilles Cloutier. The mandate, obligations and duties of the Compensation Committee are described in Appendix “A” to this Circular.

1. Compensation Discussion & Analysis

Objectives of the Compensation Program

The objectives of the compensation program of the Corporation (the “**Compensation Program**”) for its executive officers aim at attracting, retaining, motivating and rewarding its executive officers. The Corporation is committed to a compensation policy that is competitive and drives business performance.

What the Compensation Program is Designed to Reward

The Compensation Program is designed to reward the executive officers for (i) implementing strategies, both in the short and the long term, to realize the business plan of the Corporation, (ii) meeting the annual objectives of the Corporation and (iii) the objectives of each executive officer. It is also designed to enhance shareholder value.

The Compensation Program provides reasonable and competitive total executive compensation. Remuneration and incentive components are established to compete with remuneration practices of similar companies that are involved in the biopharmaceutical and pharmaceutical industries, as well as certain other companies involved in other industries where the skills and knowledge of an executive officer may be used.

In designing the Compensation Program, the Compensation Committee assessed the short-term and long-term risks associated with such program. The Compensation Program tries to strike a balance between the attainment of short-term and long-term goals by providing executive officers with short-term incentive awards and long-term incentive awards. In reviewing the recommendations of the Compensation Committee with respect to the Compensation Program, the Board analyzed the incentives comprised in the Compensation Program to ensure a fair balance between the short-term and long-term compensation components. The Board has not identified any risk arising from the Corporation’s Compensation Program and its policies and practices in determining compensation that are reasonably likely to have a material adverse effect on the Corporation.

When and How Is Compensation Determined

Compensation is determined at the beginning of each fiscal year, usually in early December. The Compensation Committee meets to determine and recommend to the Board the base salary of executive officers for such fiscal year. During this meeting, the Compensation Committee also reviews the performance of the Corporation and the performance of each of its executive officers for the last completed fiscal year to determine whether an executive officer is entitled to the payment of a bonus and/or the grant of options for such last completed fiscal year. The determination by the Compensation Committee of the annual base salary and payment of a bonus and/or grant of options for each executive officer is reviewed by the Board who has discretion to approve, disapprove or change the determination made by the Compensation Committee for each executive officer. The

compensation of the President and Chief Executive Officer, and the Vice President, Finance, is reviewed by the Board.

Elements of Compensation Program

The major elements of the Compensation Program are base salary, short-term performance reward program that takes the form of cash bonuses, and long-term incentives through the granting of options. The grant of DSUs was suspended in April 2013 and currently no longer forms part of the Compensation Program. All proposed changes to any compensation component of an executive officer are first reviewed internally by the President and Chief Executive Officer. The proposed changes are then presented to the Compensation Committee who makes a recommendation to the Board who has discretion to approve, disapprove or amend the proposed changes.

Annual Base Salary

Base salaries for each of the executive officers are based on the experience, expertise and competencies of each executive officer, as well as on a review from time to time of annual salaries paid to persons holding position and playing a role in other organizations similar to those played by the executive officers of the Corporation.

In addition to relying on the above-mentioned criteria in determining the annual base salary of the executive officers of the Corporation for the fiscal year ended November 30, 2014, the Compensation Committee considered that the annual base salaries of all executive officers had not been adjusted for the past three fiscal years (fiscal year ended November 30, 2013, 2012 and 2011, respectively). The Compensation Committee also used as guidance a study that had been prepared in May 2012 by Towers Watson analyzing the total direct compensation for the then Corporation’s executive officers.

In the case of Mr. Luc Tanguay, the Compensation Committee and the Board also considered that he was no longer acting as Senior Vice President and Chief Financial Officer but was now acting as President and Chief Executive Officer of the Corporation. His salary was adjusted to reflect that new position and role with the Corporation.

As a result of the foregoing, the Compensation Committee recommended to the Board (which approved such recommendation) that the annual base salary of each of the President and Chief Executive Officer, the Vice President, Finance, the Senior Vice President, Scientific Affairs and Alliances, and the Vice President, Legal Affairs and Corporate Secretary, be revised as follows for the fiscal year ended November 30, 2014:

Name	Revised Salary (\$)	Increase (%)
Luc Tanguay, President and Chief Executive Officer	450,000	19.4
Marie-Noël Colussi, Vice President, Finance	182,500	7.4
Christian Marsolais, Senior Vice President, Scientific Affairs and Alliances	270,000	1.9
Jocelyn Lafond, Vice President, Legal Affairs, and Corporate Secretary	250,000	7.3

Performance Reward Program

The short-term performance reward program is designed to recognize the contribution of each executive officer in helping the Corporation to attain its corporate objectives and to increase its value. Usually, bonuses are granted based on the attainment of the Corporation's annual corporate objectives and the attainment of an executive officer's objectives in connection with such corporate objectives. The Compensation Committee had discretion in recommending the granting of bonuses to executive officers based on the overall performance of an executive officer. Corporate objectives are usually set by the Board early in the fiscal year. Although corporate objectives are determined early in the fiscal year, the Board has discretion to change these corporate objectives to take into consideration certain events that could occur during the year.

Executive Officers

For the last fiscal year, the attainment of the corporate objectives accounted for 80% of the performance reward program of all executive officers, whereas the overall performance of an executive officer accounted for 20%.

The corporate objectives (80%) were weighted as follows:

- 40% was attributed to the financial performance of the Corporation i.e. meeting the budgeted revenues and expenses at fiscal year-end;
- 30% was related to the overall performance of the Corporation's Common Shares over a twelve (12) month period as determined by the Board after taking into consideration the performance of the stock market in general; and
- 30% was attributed to the successful completion of various corporate milestones, including resolving the manufacturing issues related to *EGRIFTA*®, obtaining marketing authorization approvals in Brazil, Mexico and Canada, finalizing the structure to resume sales of *EGRIFTA*® in the United States and beginning sales of *EGRIFTA*® in the United States. No specific weighting was attributed to each of those corporate milestones.

The budgeted revenues and expenses are not disclosed because the Corporation does not make financial forecasts and does not publicly disclose its anticipated revenues and expenses forming part of its budget. The Corporation believes that disclosing those numbers would provide third-parties with insightful information on its anticipated revenues and expenses budgeted at the beginning of every year and would create unnecessary speculation and volatility on its Common Shares.

The corporate objective based on the financial performance of the Corporation was assessed to have been met at 10% whereas the corporate objective based on the overall performance of the Corporation's Common Shares was not met. The assessment of the success in achieving the various milestones pertaining to resolving the manufacturing issues related to *EGRIFTA*®, obtaining marketing authorization approvals in Brazil, Mexico and Canada, finalizing the structure to resume sales of *EGRIFTA*® in the United States and beginning sales of *EGRIFTA*® in the United States was determined by the Compensation Committee using its discretion.

The other part of the performance reward program accounted for 20% and the Compensation Committee believed that discretion was a valid component in the determination of the performance of an executive officer, as initially assessed by the President and Chief Executive Officer, especially when unplanned events occur during a fiscal year. Discretion allows the President and Chief Executive Officer to assess the capacity of each executive officer to adapt, react, respond and act in the best interests of the Corporation when such events occur. However, in order to avoid too large a discretion to the President and Chief Executive Officer and limit potential bias in the determination of the performance of an executive officer's overall performance, a 20% weighting was attributed to this

component of the program and a review by the Compensation Committee is undertaken prior to accepting the recommendations made by the President and Chief executive Officer. The Board has discretion on the assessment of the performance of the President and Chief Executive Officer.

The employment agreements of the executive officers for the fiscal year ended November 30, 2014 provided that executive officers were entitled to receive a bonus equal to up to 33.3% of their annual base salary, except with respect to the President and Chief Executive Officer, the Senior Vice President and Chief Commercial Officer and the Senior Vice President, Scientific Affairs and Alliances, whose target bonuses could reach up to 50%, 45% and 40%, respectively, of their annual base salary.

The table below details for each of the President and Chief Executive Officer, the Vice President, Finance, the Senior Vice President and Chief Commercial Officer, the Senior Vice President, Scientific Affairs and Alliances, and the Vice President, Legal Affairs, and Corporate Secretary, the potential maximum bonuses that each of them may receive and the actual bonus paid or earned for the fiscal year ended November 30, 2014:

Name	Maximum Target Bonus (\$)	Bonus Paid (\$)
Luc Tanguay, President and Chief Executive Officer	225,000	Nil ⁽¹⁾
Marie-Noël Colussi, Vice President, Finance	60,833	Nil ⁽²⁾
Lyne Fortin, Senior Chief Commercial Officer	123,750	50,000 ⁽³⁾
Christian Marsolais, Senior Vice President, Scientific Affairs and Alliances	108,000	50,000
Jocelyn Lafond, Vice President, Legal Affairs, and Corporate Secretary	83,333	Nil ⁽²⁾

- (1) As of the date of this Circular, the Board has decided to grant Mr. Tanguay 300,000 options to purchase Common Shares of the Corporation. However, these options have not been granted because their terms and conditions have not been determined yet. Therefore, no value can be attributed to those yet.
- (2) Both Mrs. Colussi and Mr. Lafond were granted a \$100,000 retention bonus during the course of the year.
- (3) Mrs. Lyne Fortin also received a \$17,500 bonus upon execution of her employment agreement with the Corporation on December 13, 2013.

Long-Term Incentive Program

The long-term incentive program of the Corporation is now comprised of the share option plan (the “**Option Plan**”) only. In April 2013, the Board decided to suspend the grant of DSUs under the DSU Plan.

The Option Plan was originally adopted on December 6, 1993, and subsequently amended from time to time, in order to attract, retain, motivate employees in key positions and align their interests with those of the Corporation’s shareholders by allowing optionees to participate in the increased value of the Common Shares. See “Item III – *Description of the Option Plan*” of this Circular for a description of the Option Plan. The number of options granted under the Option Plan is determined on the basis

of the position of each executive officer, the attainment of corporate and individual objectives and the value of the options and the Common Shares at the time of grant as part of the total compensation of an executive officer. When assessing whether options should be granted to an executive officer, the Compensation Committee also factors in the number of options held by an executive officer, their vesting periods, expiry dates and exercise prices. On December 13, 2013, the Board granted a total of 125,000 options under the Option Plan to Mrs. Lyne Fortin, the Senior Vice President and Chief Commercial Officer of the Corporation as an incentive to enter into an employment agreement with the Corporation. All of the 125,000 options granted have an exercise price of \$0.50 per Common Share, will expire on December 13, 2023 and will vest in three equal tranches on December 13, 2014, December 13, 2015 and December 13, 2016, respectively. All of the other terms and conditions of her options are governed by the Option Plan.

The DSU Plan was adopted on December 10, 2010, and amended effective February 7, 2012, in order to attract and retain directors and executive officers and better align the interests of the directors and executive officers with those of the shareholders in the creation of long-term value. See “Item III–*Description of the Deferred Share Unit Plan*” of this Circular for a description of the DSU Plan. DSUs could be granted by the Board as part of the compensation of executive officers who could purchase them once a year through the conversion of all or part of their cash bonus into DSUs. No DSUs were granted to the Corporation’s executive officers in the fiscal year ended November 30, 2014.

Description of the Option Plan

A maximum of 5,000,000 Common Shares have been reserved for stock option grants under the Option Plan, of which, as at April 20, 2015, 1,523,306 options remain available for issuance.

The Board administers the Option Plan. The Board has discretion to designate the optionees and determine the number of Common Shares underlying these options, the vesting period, the exercise price and the expiry date of each option, as well as all other related matters, the whole in compliance with the terms of the Option Plan and applicable legislative provisions established by securities regulatory authorities. The Board is not bound by the recommendations made by the Compensation Committee with respect to the abovementioned matters. Options granted to executive officers generally vest as to 33 1/3% on each year starting twelve (12) months after the date of grant. The Board can modify or terminate the Option Plan subject to compliance with the rules set forth by regulatory authorities. However, certain amendments require the approval of a majority of the voting shareholders of the Corporation.

Unless otherwise determined by the Board, the options granted pursuant to the Option Plan may be exercised within a maximum period of ten (10) years following their date of grant, unless the optionee’s employment is terminated, other than for death, in which case the optionee’s unexercised vested options, if any, may be exercised within a period of one hundred eighty (180) days following the date of the employee’s termination. In the event of the death of an optionee prior to the expiry date of his options, the optionee’s legal personal representative may exercise the optionee’s unexercised vested options within twelve (12) months after the date of the optionee’s death. The options granted in accordance with the Option Plan cannot be transferred or assigned.

The exercise price at which the options may be granted pursuant to the Option Plan cannot be less than the closing price of the Common Shares on the TSX on the day preceding the date of grant of the options.

In addition, the Option Plan provides that the number of Common Shares that may be issued to insiders, at any time, under all security-based compensation arrangements of the Corporation, cannot exceed 10% of the outstanding Common Shares, and the number of Common Shares issued to insiders, within any one year period, under all security-based compensation arrangements, cannot

exceed 10% of the outstanding Common Shares. The number of Common Shares that may be issued to directors who are not employees of the Corporation, within any one year period, under all security-based compensation arrangements, cannot exceed 0.5% of the outstanding Common Shares.

During the fiscal year ended November 30, 2014, 125,000 options were granted under the Option Plan.

The following table sets forth the information regarding the equity compensation plan of the Corporation as at November 30, 2014.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options (% of Issued and Outstanding Share Capital)	Weighted-average Exercise Price of Outstanding Option	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plan
Equity Compensation Plan Approved by Shareholders	1,862,669 (3.05%)	\$2.12	1,477,472
Equity Compensation Plans Not Approved by Shareholders	--	--	--
Total	1,862,669 (3.05%)	\$2.12	1,477,472

Description of the Deferred Share Unit Plan

On December 10, 2010, the Board adopted the DSU Plan for the benefit of its directors and executive officers (the “**Beneficiaries**”).

However, in April 2013, the Board decided to suspend the grant of DSUs under the DSU Plan, as well as the Shareholding Policy. The goal of the DSU Plan was to increase the Corporation’s ability to attract and retain high-quality individual to act as directors or executive officers and better align the interests of the directors and executive officers with those of the shareholders of the Corporation in the creation of long-term value. The DSU Plan was also adopted to promote equity-based ownership in the Corporation.

Under the terms of the DSU Plan, Beneficiaries who were directors were entitled to elect to receive all or part of their annual retainer as Board member in DSUs. In addition to his right to convert all or part of his annual retainer as Board member, the past chair of the Board was also entitled to elect to receive all or part of his annual retainer as Chair of the Board in DSUs. Beneficiaries who act as executive officers were entitled to elect to receive all or part of their annual cash bonus, if any, in DSUs.

The value of a DSU (the “**DSU Value**”), was equal to the average closing price of the Common Shares on the TSX on the date on which a Beneficiary determined that he desired to purchase or redeem DSUs and during the four previous trading days. Beneficiaries who acted as directors had to elect to receive DSUs as complete or partial consideration of their annual retainer to act as Board members prior to each calendar quarter. Beneficiaries who acted as executive officers were required to elect to purchase DSUs within 48 hours after having been notified of their annual cash bonus, if any.

For the purposes of granting DSUs, the DSU Value for directors was determined on the first trading day of the beginning of a calendar quarter and the DSU Value for executive officers was determined on the second business day after they had been notified of their annual cash bonus.

Except with respect to DSUs granted to the Corporation’s former President and Chief Executive

Officer, DSUs may only be redeemed when a Beneficiary ceases to act as a director or an executive officer of the Corporation. On the date a Beneficiary ceases to act as a director or executive officer (the “**Redemption Date**”), the Beneficiary is entitled to send a notice to the Corporation (the “**Redemption Notice**”), specifying the date on which the DSUs will be redeemed (the “**Payment Date**”). The Payment Date must be no earlier than five (5) business days after the date on which the Corporation receives the Redemption Notice and no later than November 30 of the year following the Redemption Date. If a Beneficiary does not send a Redemption Notice prior to November 15 in the year of the Redemption Date, the DSU Plan provides that a Beneficiary will be deemed to have sent, and the Corporation received, a Redemption Notice on November 15 of that year. On the Payment Date, the Corporation must provide a Beneficiary with an amount in cash equal to the DSU Value as at the Payment Date. No Common Share is issued under the DSU Plan.

Pursuant to the terms and conditions of the employment agreement entered into with the Corporation’s former President and Chief Executive Officer, DSUs granted to Mr. John-Michel T. Huss may only be redeemed from the business day preceding the third anniversary date of their dates of grant but no later than the last day of the third calendar year following the calendar year during which DSUs were granted.

Beneficiaries may not sell, transfer or otherwise assign their DSUs or any rights associated therewith other than by will or in accordance with legislation regarding the vesting and partition of successions.

The Board administers the DSU Plan and the DSU Plan provides that the Board may delegate all or part of its obligations to the Compensation Committee or to any other committee of the Board.

To protect against fluctuations in DSU Value, the Corporation enters into cash settled forward contracts with an independent third party such that, upon a Payment Date, the Corporation is not exposed to the appreciation of the price of its Common Shares. The execution of such contracts requires the signature of two of the following executive officers: the President and Chief Executive Officer, the Vice President, Finance, and the Vice President, Legal Affairs, and Corporate Secretary.

Compensation Consultant

The Compensation Committee did not retain any compensation consultant in the last fiscal year ended November 30, 2014.

2. Named Executive Officers

The named executive officers (the “**Named Executive Officers**”) of the Corporation for the fiscal year ended November 30, 2014 were:

- Luc Tanguay, President and Chief Executive Officer;
- Marie-Noël Colussi, Vice President, Finance;
- Lyne Fortin, Senior Vice President and Chief Commercial Officer;
- Christian Marsolais, Senior Vice President, Scientific Affairs and Alliances;
- Jocelyn Lafond, Vice President, Legal Affairs, and Corporate Secretary.

3. Summary Compensation Table

The table below details the compensation paid to the Named Executive Officers listed above, for the fiscal years ended November 30, 2014, 2013 and 2012.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽²⁾ (\$)	All other compensation ⁽³⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Luc Tanguay President and Chief Executive Officer	2014	450,000	--	-- ⁽⁴⁾	--	--	24,270	--	474,270
	2013	376,000	--	58,000 ⁽⁵⁾	188,500	--	23,820	--	646,320
	2012	378,892	--	--	--	--	22,970	--	401,862
Marie-Noël Colussi Vice President, Finance	2014	182,500	--	--	--	--	12,385	100,000 ⁽⁷⁾	294,885
	2013	170,000	--	36,250 ⁽⁶⁾	45,500	--	12,160	--	263,910
	2012	171,308	--	--	--	--	5,139	--	176,447
Lyne Fortin ⁽⁸⁾ Senior Vice President and Chief Commercial Officer	2014	265,481	--	45,000 ⁽⁹⁾	50,000	--	8,728	17,500 ⁽¹⁰⁾	386,709
Christian Marsolais Senior Vice President, Scientific Affairs and Alliances	2014	270,000	--	--	50,000	--	12,135	--	332,135
	2013	265,000	--	36,250 ⁽¹¹⁾	15,000	--	11,910	--	328,160
	2012	267,039	--	--	--	--	8,011	100,000 ⁽¹²⁾	375,050
Jocelyn Lafond Vice President, Legal Affairs, and Corporate Secretary	2014	250,000	--	--	--	--	12,135	100,000 ⁽¹⁴⁾	362,135
	2013	233,000	--	36,250 ⁽¹³⁾	62,000	--	11,910	--	343,160
	2012	234,792	--	--	--	--	7,044	--	241,836

(1) The value of the option-based awards for the fiscal year ended November 30, 2014 was determined using the Black-Scholes-Merton model on the date of grant with the following assumptions:

- (i) Risk-free interest rate: 2.58%
- (ii) Expected volatility: 87.8%
- (iii) Average option life in years: 7.5
- (iv) Expected dividends: --
- (v) Grant date share price: \$0.50
- (vi) Option exercise price: \$0.50
- (vii) Grant date fair value: \$0.36

The value of the option-based awards for the fiscal year ended November 30, 2013 was determined using the Black-Scholes-Merton model on the date of grant with the following assumptions:

- (i) Risk-free interest rate: 1.87%
- (ii) Expected volatility: 80.43%
- (iii) Average option life in years: 8
- (iv) Expected dividends: --
- (v) Grant date share price: \$0.35
- (vi) Option exercise price: \$0.38
- (vii) Grant date fair value: \$0.29

- (2) Pension value consists of the amount of the contribution made by the Corporation to a Named Executive Officer's registered retirement savings plan. The Corporation has a group-RRSP for all of its employees under which the Corporation matches every dollar invested by an employee in such group-RRSP but up to three percent (3%) of the annual base salary of each employee, except with respect to (i) Executive Officers where the Corporation's contribution is not subject to such three percent (3%) limit and (ii) Mr. Luc Tanguay. Under the terms of Mr. Tanguay's employment agreement, the Corporation agreed to contribute on an annual basis to Mr. Tanguay's RRSP to the fullest amount permissible under Canadian laws.
- (3) All other compensation includes perquisites and other form of compensation (such as retention or signing bonuses) not described in the other columns. Perquisites for each Named Executive Officer have not been included since they do not meet the prescribed threshold of the lesser of \$50,000 and 10% of each of the respective Named Executive Officer's salary in the last fiscal year.
- (4) As of the date of this Circular, the Board has decided to grant Mr. Tanguay 300,000 options to purchase Common Shares of the Corporation. However, these options have not been granted because their terms and conditions have not been determined yet. Therefore, no value can be attributed to those yet.
- (5) Represents 200,000 options granted on December 20, 2012.
- (6) Represents 125,000 options granted on December 20, 2012.
- (7) This amount represents a cash retention bonus which was paid in December 2014.
- (8) Mrs. Lyne Fortin joined the Corporation on December 13, 2013 and was entitled to receive an annual base salary of \$275,000.
- (9) Represents 125,000 options granted on December 13, 2013.
- (10) This amount represents a signing bonus which was paid in December 2013.
- (11) Represents 125,000 options granted on December 20, 2012.
- (12) This amount represents a cash retention bonus which was paid in December 2013. On May 23, 2012, the Board agreed to amend the terms and conditions of Mr. Marsolais' employment agreement to provide for a one-time cash retention bonus of \$100,000 if Mr. Marsolais were to remain with the Corporation until December 31, 2012.
- (13) Represents 125,000 options granted on December 20, 2012.
- (14) This amount represents a cash retention bonus which was paid in December 2014.

4. Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

During the fiscal year ended November 30, 2014, no DSUs were granted to the Named Executive Officers and 125,000 options to purchase Common Shares were granted to Mrs. Lyne Fortin, a Named Executive Officer.

The table below details the outstanding option-based awards and share-based awards as at November 30, 2014 for each of the Named Executive Officers.

Name	Option-Based Awards				Share-Based Awards ⁽¹⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾ (\$)
Luc Tanguay President and Chief Executive Officer	125,000 ⁽³⁾	1.94	2016.02.08	Nil	--	--	10,201 ⁽⁴⁾
	25,000	8.23	2017.01.12	Nil			
	20,000	1.80	2018.12.18	Nil			
	25,000	3.84	2019.12.08	Nil			
	200,000	0.38	2022.12.20	Nil			
Marie-Noël Colussi Vice President, Finance	10,000	1.20	2015.12.20	Nil	--	--	1,177 ⁽⁵⁾
	15,000	8.23	2017.01.12	Nil			
	1,000	8.50	2018.01.30	Nil			
	15,000	1.80	2018.12.18	Nil			
	20,000	3.84	2019.12.08	Nil			
	125,000	0.38	2022.12.20	Nil			
Lyne Fortin Senior Vice President and Chief Commercial Officer	125,000	0.50	2023.12.13	Nil	--	--	--
Christian Marsolais Senior Vice President, Scientific Affairs and Alliances	25,000	11.48	2017.07.11	Nil	--	--	2,335 ⁽⁶⁾
	25,000	10.60	2017.08.06	Nil			
	1,000	8.50	2018.01.30	Nil			
	65,000	1.80	2018.12.18	Nil			
	35,000	3.84	2019.12.08	Nil			
	125,000	0.38	2022.12.20	Nil			
Jocelyn Lafond Vice President, Legal Affairs, Corporate Secretary	25,000	8.29	2017.03.29	Nil	--	--	1,850 ⁽⁷⁾
	25,000	10.60	2017.08.06	Nil			
	65,000	1.80	2018.12.18	Nil			
	30,000	3.84	2019.12.08	Nil			
	125,000	0.38	2022.12.20	Nil			

(1) Share-based awards are comprised of DSUs issued under the DSU Plan.

(2) The market or payout value of share-based awards that have vested as at November 30, 2014 is determined by multiplying the closing price of the Common Shares as at November 28, 2014 (\$0.37) on the TSX by the number of share-based awards held as at November 30, 2014. The TSX was closed for business on November 30, 2014.

(3) Under the terms of Mr. Tanguay's employment agreement, in the event his employment agreement is terminated, he will be entitled to exercise these options on the earlier of (i) twenty-four (24) months from the termination of his employment agreement and (ii) the expiry date of these options.

(4) Represents 27,572 DSUs granted on December 15, 2010.

(5) Represents 3,182 DSUs granted on December 15, 2010.

(6) Represents 6,312 DSUs granted on December 15, 2010.

(7) Represents 5,000 DSUs granted on December 15, 2010.

Incentive Plan Awards – Value vested or earned during the year

The table below shows the value vested or earned during the fiscal year ended November 30, 2014 under each incentive plan for each of the Named Executive Officers.

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 (\$)
Luc Tanguay President and Chief Executive Officer	Nil	Nil	Nil
Marie-Noël Colussi Vice President, Finance	Nil	Nil	Nil
Lyne Fortin Senior Vice President and Chief Commercial Officer	Nil	Nil	Nil
Christian Marsolais Senior Vice President, Scientific Affairs and Alliances	Nil	Nil	Nil
Jocelyn Lafond Vice President, Legal Affairs and Corporate Secretary	Nil	Nil	Nil

- (1) The value is determined by assuming that the options vested during the financial year would have been exercised on the vesting date. The value corresponds to the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options on that date.

5. Termination and Change of Control Provisions

Below is a summary of the employment agreements of each of the Named Executive Officers together with a table detailing the value of the severance payment that would be payable by the Corporation to each of them pursuant to his/her employment agreement if one of the events described in the table had occurred on November 30, 2014.

Luc Tanguay President and Chief Executive Officer

The Corporation entered into an employment agreement for an indeterminate term with Mr. Luc Tanguay on October 30, 2001. His agreement was subsequently amended on May 9, 2002, June 7, 2004, February 8, 2006 and July 12, 2012. On August 16, 2013, the Corporation entered into an amended and restated employment agreement with Mr. Luc Tanguay. The amended and restated employment agreement was entered into to reflect Mr. Tanguay's position as President and Chief Executive Officer of the Corporation. In addition to his base salary, Mr. Tanguay is entitled to the Corporation's benefits programs and is eligible to receive an annual bonus based on the attainment of annual objectives set by the Board. His annual bonus may reach up to 50% of his annual base salary. Mr. Tanguay is also entitled to receive options under the Option Plan and is eligible to participate in any incentive program developed by the Board or any committee thereof. Under the terms of his employment agreement, Mr. Tanguay agreed to non-competition, non-solicitation, non-disclosure and assignment of intellectual property provisions in favour of the Corporation. If the Corporation terminates the employment of Mr. Tanguay without just and sufficient cause, or further to an internal reorganization, he will receive an amount equal to twenty-four (24) months of his annual base salary, 200% of the last annual bonus he was paid and 200% of the value of the Corporation's benefits to which he was entitled while employed by the Corporation. Furthermore, in the event of a "Change of Control" resulting in the termination of Mr. Tanguay's employment without just and sufficient cause within twenty-four (24) months of such "Change of Control", his employment agreement provides for an indemnity equal to twenty-four (24) months of his annual base salary, 200% of his targeted annual

bonus and the value of the Corporation's benefits to which he was then entitled in the last twenty-four (24) months. However, if Mr. Tanguay resigns on his own free will within twelve (12) months after the occurrence of a "Change of Control", he will be entitled to receive twelve (12) months of his annual base salary, 100% of his targeted annual bonus and the value of the Corporation's benefits to which he was then entitled in the last twelve (12) months. In Mr. Tanguay's agreement, a "Change of Control" is defined as the acquisition by a third party, acting alone or in concert with one or more persons, by way of take-over bid, merger, amalgamation, arrangement or other similar transactions, of at least 40% of the outstanding voting securities of the Corporation. In Mr. Tanguay's agreement, the sale of all or substantially all of the assets of the Corporation is also deemed a "Change of Control".

Events	Severance (\$)	Value of Stock Options⁽¹⁾ (\$)	Value of share-based awards⁽²⁾ (\$)
Retirement ⁽³⁾	--	Nil	10,201
Termination of Employment without Just Cause ⁽³⁾	1,325,540 ⁽⁵⁾	Nil	10,201
Termination of Employment in the event of a Change of Control ⁽⁴⁾	1,398,540 ⁽⁵⁾	Nil	10,201
Voluntary Resignation in the event of a Change of Control ⁽⁴⁾	699,270 ⁽⁵⁾	Nil	10,201
Voluntary Resignation ⁽³⁾	--	Nil	10,201

(1) The value assumes that upon the occurrence of an event, all in-the-money vested options would be exercised. The value is the difference between the closing price of the Common Shares on the TSX on November 28, 2014 (\$0.37) and the respective exercise price of each vested option as at November 30, 2014. The TSX was closed for business on November 30, 2014.

(2) The value of the share-based awards assumes that upon the occurrence of an event, all DSUs are redeemed. The value of share-based awards is determined by multiplying the number of DSUs held as at November 30, 2014 by the closing price of the Common Shares on the TSX on November 28, 2014 (\$0.37). The TSX was closed for business on November 30, 2014.

(3) Under the Option Plan, the termination of a person's employment with the Corporation entitles him to exercise his vested options over a 180-day period after the termination date. Under the terms of Mr. Tanguay's employment agreement, the termination of his employment with the Corporation entitles him to exercise the balance (125,000) of the 350,000 options he was granted on February 8, 2006 at an exercise price of \$1.94 on the earlier of (i) twenty-four (24) months from his termination date and (ii) the expiry date of these options (February 8, 2016).

(4) In computing the value of the options in the event of a Change of Control, the Corporation assumed that all unvested options would vest as per the terms of Section 5.5 of the Option Plan and that all vested options having an exercise price lower than the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) would be exercised. The TSX was closed for business on November 30, 2014.

(5) As at November 30, 2014, the last bonus paid to Mr. Tanguay was the bonus he received for the fiscal year 2013 which amounted to \$188,500.

Marie-Noël Colussi
Vice President, Finance

Mrs. Colussi has been with the Corporation since March 1997. On April 2, 2007, the Corporation entered into a written employment agreement with Mrs. Colussi for an indeterminate term and an amendment was subsequently entered into on July 6, 2012. In addition to her base salary, Mrs. Colussi is also entitled to receive the Corporation's benefit programs and is eligible to receive an annual bonus based on the attainment of objectives set annually by the President and Chief Executive Officer. Mrs. Colussi is also entitled to receive options under the Option Plan and DSUs under the DSU Plan. Under the terms of her employment agreement, Mrs. Colussi agreed to non-competition, non-solicitation, non-disclosure and assignment of intellectual property provisions in favour of the

Corporation. If the Corporation terminates the employment of Mrs. Colussi without just and sufficient cause, she will receive an amount equal to the higher of (i) twelve (12) months of her annual base salary (excluding bonus and the value of other benefits to which she is entitled) and (ii) one month of her annual base salary per year of services with the Corporation but up to a maximum of eighteen (18) months. In the event of a “Change of Control” resulting in the termination of Mrs. Colussi’s employment without just and sufficient cause within twelve (12) months of such “Change of Control”, her employment agreement provides for an indemnity equal to the higher of (i) twelve (12) months of her annual base salary and 100% of her targeted annual bonus; and (ii) one month of her annual base salary per year of services with the Corporation, but up to a maximum of eighteen (18) months (excluding bonus and the value of other benefits to which she is entitled). In Mrs. Colussi’s agreement, a “Change of Control” is defined as the acquisition by a third party, acting alone or in concert with one or more persons, by way of a take-over bid, merger, amalgamation, arrangement or other similar transactions, of at least 40% of the outstanding voting securities of the Corporation. In Mrs. Colussi’s agreement, the sale of all or substantially all of the assets of the Corporation is also deemed a “Change of Control”.

Events	Severance (\$)	Value of Stock Options⁽¹⁾ (\$)	Value of share- based awards⁽²⁾ (\$)
Retirement ⁽³⁾	--	Nil	1,177
Termination of Employment without Just Cause ⁽³⁾	258,542 ⁽⁵⁾	Nil	1,177
Termination of Employment in the event of a Change of Control ⁽⁴⁾	258,542 ⁽⁵⁾	Nil	1,177
Voluntary Resignation in the event of a Change of Control ⁽⁴⁾	--	Nil	1,177
Voluntary Resignation ⁽³⁾	--	Nil	1,177

(1) The value assumes that upon the occurrence of an event, all in-the-money vested options would be exercised. The value is the difference between the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) and the respective exercise price of each vested option as at November 30, 2014. The TSX was closed for business on November 30, 2014.

(2) The value of the share-based awards assumes that upon the occurrence of an event, all DSUs are redeemed. The value of share-based awards is determined by multiplying the number of DSUs held as at November 30, 2014 by the closing price of the Common Shares on the TSX on November 28, 2014 (\$0.37). The TSX was closed for business on November 30, 2014.

(3) Under the Option Plan, the termination of a person’s employment with the Corporation entitles her to exercise her vested options over a 180-day period after the termination date.

(4) In computing the value of the options in the event of a Change of Control, the Corporation assumed that all unvested options would vest as per the terms of Section 5.5 of the Option Plan and that all vested options having an exercise price lower than the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) would be exercised. The TSX was closed for business on November 30, 2014.

(5) Assumes that Mrs. Colussi receives seventeen (17) months of her annual base salary.

Lyne Fortin
Senior Vice President and Chief Commercial Officer

The Corporation entered into an employment agreement for an indefinite term with Mrs. Lyne Fortin on December 13, 2013. Upon the execution of her employment agreement, Mrs Fortin received a \$17,500 signing bonus and was granted 125,000 options at an exercise price of \$0.50 per share. These options vest in equal tranches over a three year period, the first tranche having vested on December 13, 2014. In addition to her base salary, Mrs. Fortin is entitled to the Corporation’s benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the President and Chief Executive Officer. Mrs. Fortin is also entitled to receive options under the Option Plan and is eligible to participate in any incentive program developed by the Board or any committee

thereof. Under the terms of her agreement, Mrs. Fortin agreed to non-competition, non-solicitation, non-disclosure and assignment of intellectual property provisions in favour of the Corporation. If the Corporation terminates Mrs. Fortin's employment without just and sufficient cause or further to an internal reorganization, she will receive an amount equal to twelve (12) months of her annual base salary (excluding bonus and the value of other benefits to which she is entitled). In the event of a "Change of Control" resulting in the termination of Mrs. Fortin's employment without just and sufficient cause within twelve (12) months of such "Change of Control", her employment agreement provides for an indemnity equal to the higher of (i) the value of the time-period related to the reasonable notice to be provided to Mrs. Fortin under applicable civil law and (ii) twelve (12) months of her annual base salary and 100% of her targeted annual bonus. In Mrs. Fortin's agreement, a "Change of Control" is defined as the acquisition by a third party, acting alone or in concert with one or more persons, by way of take-over bid, merger, amalgamation, arrangement or other similar transactions, of at least 40% of the outstanding voting securities of the Corporation. In Mrs. Fortin's agreement, the sale of all or substantially all of the assets of the Corporation is also deemed a "Change of Control".

Events	Severance (\$)	Value of Stock Options⁽¹⁾ (\$)	Value of share- based awards ⁽²⁾ (\$)
Retirement ⁽³⁾	--	Nil	Nil
Termination of Employment without Just Cause ⁽³⁾	275,000	Nil	Nil
Termination of Employment in the event of a Change of Control ⁽⁴⁾	398,750 ⁽⁵⁾	Nil	Nil
Voluntary Resignation in the event of a Change of Control ⁽⁴⁾	--	Nil	Nil
Voluntary Resignation ⁽³⁾	--	Nil	Nil

- (1) The value assumes that upon the occurrence of an event, all in-the-money vested options would be exercised. The value is the difference between the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) and the respective exercise price of each vested option as at November 30, 2014. The TSX was closed for business on November 30, 2014.
- (2) Mrs. Fortin does not hold any share based-awards.
- (3) Under the Option Plan, the termination of a person's employment with the Corporation entitles her to exercise her vested options over a 180-day period after the termination date.
- (4) In computing the value of the options in the event of a Change of Control, the Corporation assumed that all unvested options would vest as per the terms of Section 5.5 of the Option Plan and that all vested options having an exercise price lower than the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) would be exercised. The TSX was closed for business on November 30, 2014.
- (5) Assumes that Mrs. Fortin receives twelve (12) months of her annual base salary and 100% of her targeted bonus over her twelve (12) month annual base salary.

Christian Marsolais
Senior Vice President, Scientific Affairs and Alliances

The Corporation entered into an employment agreement for an indeterminate term with Mr. Christian Marsolais on April 13, 2007. His agreement was subsequently amended on May 23, 2012 and July 17, 2012. An amended and restated employment agreement was entered into on December 21, 2012 between Mr. Marsolais and the Corporation. The amended and restated employment agreement was entered into to reflect Mr. Marsolais' new position as Senior Vice President, Scientific Affairs and Alliances, to provide cash incentive payments upon the occurrence of certain defined future events related to the filing and approval of *EGRIFTA*TM in certain Latin American countries and in Europe, to increase its targeted bonus rate from 33 1/3% to 40%, to revise and add new restrictive covenants in favour of the Corporation and to amend his severance payment conditions in the event the Corporation terminates his employment without just and sufficient cause.

In addition to his base salary, Mr. Marsolais is entitled to the Corporation's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the President and Chief Executive Officer. Mr. Marsolais is also entitled to receive options under the Option Plan and is eligible to participate in any incentive program developed by the Board or any committee thereof. Under the terms of his agreement, Mr. Marsolais agreed to non-competition, non-solicitation, non-disclosure, standstill and assignment of intellectual property provisions in favour of the Corporation. If the Corporation terminates Mr. Marsolais' employment without just and sufficient cause, he will receive an amount equal to eighteen (18) months of his annual base salary (excluding bonus and the value of other benefits to which he is entitled). In the event of a "Change of Control" resulting in the termination of Mr. Marsolais' employment without just and sufficient cause within twelve (12) months of such "Change of Control", his employment agreement provides for an indemnity equal to the higher of (i) the value of the time-period related to the reasonable notice to be provided to Mr. Marsolais under applicable civil law and (ii) eighteen (18) months of his annual base salary and 100% of his targeted annual bonus. In Mr. Marsolais' agreement, a "Change of Control" is defined as the acquisition by a third party, acting alone or in concert with one or more persons, by way of take-over bid, merger, amalgamation, arrangement or other similar transactions, of at least 40% of the outstanding voting securities of the Corporation. In Mr. Marsolais' agreement, the sale of all or substantially all of the assets of the Corporation is also deemed a "Change of Control".

Events	Severance (\$)	Value of Stock Options⁽¹⁾ (\$)	Value of share- based awards⁽²⁾ (\$)
Retirement ⁽³⁾	--	Nil	2,335
Termination of Employment without Just Cause ⁽³⁾	405,000	Nil	2,335
Termination of Employment in the event of a Change of Control ⁽⁴⁾	513,000 ⁽⁵⁾	Nil	2,335
Voluntary Resignation in the event of a Change of Control ⁽⁴⁾	--	Nil	2,335
Voluntary Resignation ⁽³⁾	--	Nil	2,335

(1) The value assumes that upon the occurrence of an event, all in-the-money vested options would be exercised. The value is the difference between the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) and the respective exercise price of each vested option as at November 30, 2014. The TSX was closed for business on November 30, 2014.

(2) The value of the share-based awards assumes that upon the occurrence of an event, all DSUs are redeemed. The value of share-based awards is determined by multiplying the number of DSUs held as at November 30, 2014 by the closing price of the Common Shares on the TSX on November 28, 2014 (\$0.37). The TSX was closed for business on November 30, 2014.

(3) Under the Option Plan, the termination of a person's employment with the Corporation entitles him to exercise his vested options over a 180-day period after the termination date.

(4) In computing the value of the options in the event of a Change of Control, the Corporation assumed that all unvested options would vest as per the terms of Section 5.5 of its Option Plan and that all vested options having an exercise price lower than the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) would be exercised. The TSX was closed for business on November 30, 2014.

(5) Assumes that Mr. Marsolais receives eighteen (18) months of his annual base salary and 100% of his targeted bonus over his twelve (12) month annual base salary.

Jocelyn Lafond
Vice President, Legal Affairs, and Corporate Secretary

The Corporation entered into an employment agreement for an indeterminate term with Mr. Jocelyn Lafond on March 27, 2007 and an amendment was subsequently entered into on July 5, 2012. In addition to his base salary, Mr. Lafond is entitled to the Corporation's benefit programs and is eligible to receive an annual bonus based on attainment of objectives set annually by the President and Chief Executive Officer. Mr. Lafond is entitled to receive options under the Option Plan and DSUs under the DSU Plan. Under the terms of his agreement, Mr. Lafond agreed to non-disclosure and assignment of intellectual property provisions in favour of the Corporation. If the Corporation

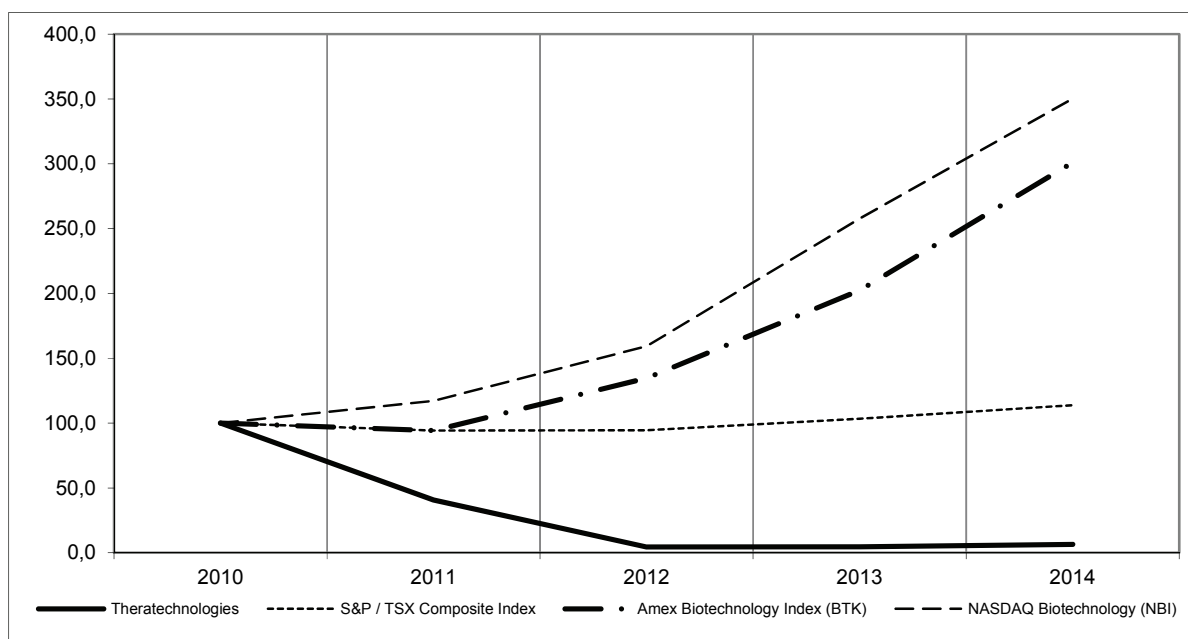
terminates Mr. Lafond’s employment without just and sufficient cause, he will receive an amount equal to twelve (12) months of his annual base salary (excluding bonus and the value of other benefits to which he is entitled). Furthermore, in the event of a “Change of Control” resulting in the termination of Mr. Lafond’s employment without just and sufficient cause within twenty-four (24) months of such “Change of Control” or if he resigns of his own free will during such period, his employment agreement provides for an indemnity equal to the higher of (i) the value of the time-period related to the reasonable notice to be provided to Mr. Lafond under applicable civil law and (ii) twelve (12) months of his annual base salary and 100% of his targeted annual bonus. In Mr. Lafond’s agreement, a “Change of Control” is defined as the acquisition by a third party, acting alone or in concert with one or more persons, by way of take-over bid, merger, amalgamation, arrangement or other similar transactions, of at least 40% of the outstanding voting securities of the Corporation. In Mr. Lafond’ agreement, the sale of all or substantially all of the assets of the Corporation is also deemed a “Change of Control”.

Events	Severance (\$)	Value of Stock Options⁽¹⁾ (\$)	Value of share- based awards⁽²⁾ (\$)
Retirement ⁽³⁾	--	Nil	1,850
Termination of Employment without Just Cause ⁽³⁾	250,000	Nil	1,850
Termination of Employment in the event of a Change of Control ⁽⁴⁾	332,500 ⁽⁵⁾	Nil	1,850
Voluntary Resignation in the event of a Change of Control ⁽⁴⁾	332,500 ⁽⁵⁾	Nil	1,850
Voluntary Resignation ⁽³⁾	--	Nil	1,850

- (1) The value assumes that upon the occurrence of an event, all vested options would be exercised. The value is the difference between the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) and the respective exercise price of each vested option as at November 30, 2014. The TSX was closed for business on November 30, 2014.
- (2) The value of the share-based awards assumes that upon the occurrence of an event, all DSUs are redeemed. The value of share-based awards is determined by multiplying the number of DSUs held as at November 30, 2014 by the closing price of the Common Shares on the TSX on November 28, 2014 (\$0.37). The TSX was closed for business on November 30, 2014.
- (3) Under the Option Plan, the termination of a person’s employment with the Corporation entitles him to exercise his vested options over a 180-day period after the termination date.
- (4) In computing the value of the stock options in the event of a Change of Control, the Corporation assumed that all unvested options would vest as per the terms of Section 5.5 of its Option Plan and that all vested options having an exercise price lower than the closing price of the Common Shares on November 28, 2014 on the TSX (\$0.37) would be exercised. The TSX was closed for business on November 30, 2014.
- (5) Assumes that Mr. Lafond receives twelve (12) months of his annual base salary and 100% of his targeted bonus over his twelve (12) month annual base salary.

6. Performance Graph

The following graph compares a cumulative annual total shareholder return on a \$100 investment in the Common Shares with a cumulative total shareholder return on the composite index S&P/TSX assuming that all dividends are reinvested (“S&P”), the NASDAQ Biotechnology Index (“NBI”) and the AMEX Biotechnology Index (“BTK”).



	2010	2011	2012	2013	2014
Theratechnologies	100,00	40,7	4,5	4,6	6,5
S&P / TSX Composite Index	100,00	94,2	94,5	103,4	113,8
Amex Biotechnology Index (BTK)	100,00	94,3	134,7	202,5	301,0
NASDAQ Biotechnology (NBI)	100,00	117,1	159,3	257,8	350,4

The trend shown in the above performance graph indicates that, as at November 30 of each of the past five years, the annual total shareholder return on a \$100 investment in the Common Shares was below the S&P, the NBI and the BTK.

The value of the total compensation received by each Named Executive Officers (excluding Mrs. Lyne Fortin and without taking into consideration the retention bonus paid to Mr. Christian Marsolais in 2012) who held that position between the years 2010 and 2012 decreased on average by 26.5%. Between 2012 and 2013, the value of the total compensation paid to each Named Executive Officers who held that position (excluding Mrs. Lyne Fortin and without taking into consideration the retention bonus paid to Mr. Christian Marsolais in 2012) increased on average by 33.2% as a result of bonuses paid to Named Executive Officers. The value of the total compensation paid to all Named Executive Officers (excluding the payments of retention bonuses to Mrs. Marie-Noël Colussi and Mr. Jocelyn Lafond) in 2014 decreased by 12.7% compared to that same value in 2013.

ITEM IV. CORPORATE GOVERNANCE DISCLOSURE

The Board considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed so as to optimize shareholder value. The Nominating and Corporate Governance Committee is responsible for examining the Corporation’s needs in this regard and addressing all issues that may arise from its practices. This Committee ensures that the Corporation’s corporate governance practices comply with *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* (Québec) and oversees their disclosure according to the guidelines described in *Policy Statement 58-201 to Corporate Governance Guidelines* (Québec) (hereinafter collectively referred to as the “**Regulation**”).

The table below details the corporate governance requirements under the Regulation and the position of the Corporation vis-à-vis each of them.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMMENTS
1. (a) Disclose the identity of directors who are independent.	<p>“Independence” is defined in Section 1.4 of <i>Regulation 52-110 respecting Audit Committees</i>. After review of the definition of “independence”, the Nominating and Corporate Governance Committee determined that the following directors are “independent” within the meaning of the Regulation:</p> <ul style="list-style-type: none"> - Gilles Cloutier; - Gérald A. Lacoste; - Paul Pommier; - Dawn Svoronos; and - Jean-Denis Talon. <p>In addition, the Nominating and Corporate Governance Committee determined that the following nominees proposed for election at the Meeting are “independent” within the meaning of the Regulation:</p> <ul style="list-style-type: none"> - Gérald A. Lacoste; - David D. Lilley; - Paul Pommier; - Dawn Svoronos; and - Jean-Denis Talon.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	<p>In reviewing the definition of “independence” under Section 1.4 of <i>Regulation 52-110 respecting Audit Committees</i> the Nominating and Corporate Governance Committee determined that the following nominee proposed for election at the Meeting was not “independent”:</p> <ul style="list-style-type: none"> - Luc Tanguay. <p>The determination was based on his position with the Corporation.</p>
(c) Disclose whether or not a majority of the directors are independent. If a majority of directors are not independent, describe what the board of directors (the “ Board ”) does to facilitate its exercise of independent judgement in carrying out its responsibilities.	<p>Five (5) of the six (6) directors are independent from the Corporation.</p> <p>Five (5) of the six (6) nominees proposed for election to the Board are independent from the Corporation.</p>
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the	<p>Dawn Svoronos is a director of Medivation, Inc.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMMENTS
other issuer.	
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the last fiscal year ended November 30, 2014. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>As a matter of routine, the chair of the Board assess with the other independent directors after each meeting of the Board whether a meeting without the non-independent director is required.</p> <p>There were 8 meetings of the independent directors in the financial year ended November 30, 2014 during meetings of the Board.</p> <p>The committees of the Board are composed of independent directors and, whenever non-independent directors attend the committee meetings, the chair of the committee assess with the independent directors after each meeting of the committee whether a meeting without the non-independent director is required.</p>
<p>(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director this independent, describe what the Board does too provide leadership for its independent directors.</p>	<p>The chair of the Board, Dawn Svoronos, is independent.</p> <p>The chair of the Board's role and responsibilities consist in:</p> <ul style="list-style-type: none"> - Representing the Corporation vis-à-vis shareholders and members of the public; - Preparing the agendas for all Board meetings; - Presiding over each Board meeting and shareholders meeting; - Coordinating with the chairs of the Board committees on topics to be discussed at committee meetings; - Following-up with the president and chief executive officer of the Corporation on material matters occurring in the normal course of business of the Corporation; - Assessing the circumstances requiring the holding of special meetings of the Board; and - Following-up with committee chairs on topics discussed at Board meetings.
<p>(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>See the information in the tables provided for each nominee under "Election of directors – <i>Nominees</i>".</p>
<p>2. Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>See Appendix "B" attached to this Circular.</p>
<p>3. (a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>Although the Board has not developed written position descriptions for the chair of the Board and the chair of each Board committee, the persons acting as chair of the Board and chairs of Board committees have the experience and necessary expertise to assess the role they must play in the context of a public company. See Section 1 (f) above for a description of the role and responsibilities of the chair of the Board.</p> <p>The chair of each Board committee's role and responsibilities consist in:</p> <ul style="list-style-type: none"> - Preparing the agendas for each Committee meeting; - Presiding over each committee meeting; and - Reporting to the Chair of the Board.
<p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not</p>	<p>The Board and the CEO have not developed a written position description for the CEO. However, further to the departure of the former President and Chief Executive Officer in October</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMMENTS
<p>developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>2012, the Board set the following expectations with respect to the role and responsibilities of the individual currently holding this position:</p> <ul style="list-style-type: none"> - Representing the Corporation vis-à-vis shareholders and members of the public; - Supervising work over the implementation of the structure necessary to commercialize <i>EGRIFTA</i>TM in the United States beginning May 1, 2014; - Supervising work over the pending marketing authorization applications filed in Canada and in certain Latin American countries; - Supervising work related to alliance management; - Overseeing the control of expenses; - Having leadership skills; - Understanding of finance; - Reporting to the Board; and - Maintaining good relationships with shareholders, employees and members of the public. <p>All activities conducted by the Corporation that are not conducted in the “normal course of business” of the Corporation are discussed at the Board level. The chair has frequent communication with the President and Chief Executive Officer and is aware of situations that do not qualify as “normal course of business”.</p>
<p>4. (a) Briefly describe what measures the Board takes to orient new members regarding:</p> <p>(i) the role of the Board, its committees and its Directors, and</p> <p>(ii) the nature and operation of issuer’s business.</p> <p>(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>The Board has a “Director Orientation and Continuing Education Policy” in place for new directors. For a description of this policy, see Appendix “C” to this Circular.</p> <p>The Board oversees continuing education that is provided to the directors. Continuing education is provided in the following form:</p> <ul style="list-style-type: none"> - Articles and books are sent to directors on topics relating to the Corporation’s business, its competitors, corporate governance and regulatory matters; - At Board meetings, members of management are invited to present on business activities; - Consultants offer seminars on various topics relating to the business of the Corporation; - Directors attending conferences or seminar addressing relevant topics to the Corporation.
<p>5. (a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p> <p>(i) disclose how a person may obtain the code;</p> <p>(ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and</p> <p>(iii) provide a cross-reference to any material change report filed since the beginning of</p>	<p>The Board has adopted a Code of ethics (the “Code”) on February 18, 2011.</p> <p>The Code is available on the website of the Corporation at www.theratech.com under the section “Investor Centre - Corporate Governance – Code of ethics”.</p> <p>The Board monitors compliance with the Code by requiring that all employees and executive officers certify on a yearly basis that they have read, understood and agreed to be bound by the Code. The Board also relies on management to report any conduct that is contrary to the Code to the chair of the Board or the chair of the Nominating and Corporate Governance Committee.</p> <p>The Corporation has not filed any material change report pertaining to any conduct of a director or executive officer that</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMMENTS
the issuer's most recently completed financial year ended that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	departs from the Code in the last fiscal year.
(b) Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	The Board does not take any particular steps to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Board relies on the loyalty, integrity and honesty of its directors to declare any interest a director has or may have in a transaction or an agreement. Corporate laws, the general by-laws of the Corporation and the Code require that a director disclose any interest it may have or has in any transaction or agreement. In the event a director has any such interest, the director will be asked to leave the Board or committee meeting during which discussions regarding the transaction or agreement will take place. The director will not be entitled to vote on any resolution regarding such transaction or agreement.
(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	Other than having adopted the Code, the Board does not take any other particular step to encourage and promote a culture of ethical business conduct. It relies on the honesty and loyalty of each individual and the consequences an individual would suffer if his/her ethical business conduct was inadequate.
<p>6. (a) Describe the process by which the Board identifies new candidates for Board nomination.</p> <p>(b) Disclose whether or not the Board has a nominating committee composed entirely of independent Directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.</p> <p>(c) If the Board has a nominating committee, describe the responsibilities, powers and operations of the nominating committee.</p>	<p>The Nominating and Corporate Governance Committee of the Board is responsible to identify new candidates for Board nomination. The Nominating and Corporate Governance Committee was comprised of three (3) independent directors in the fiscal year ended November 30, 2014, namely:</p> <ul style="list-style-type: none"> - Gilles Cloutier; - Gérald A. Lacoste (chair); and - Dawn Svoronos <p>The identification of new candidates is undertaken after the Board has assessed the needs of the Corporation and the expertise at the Board level to meet those needs. The identification of new candidates may be done in different ways:</p> <ul style="list-style-type: none"> - Knowledge by a Board member of one or more persons having the skills, experience, time and commitment required to act as directors of the Corporation; or - Retaining the services of a third-party specialized in the recruitment of directors. <p>Prior to retaining any individual to act as director of the Corporation, this individual will be met by the chair of the Board and other Board members. In addition, the individual's history will be reviewed.</p> <p>The responsibilities, powers and operation of the Nominating and Corporate Governance Committee are described in Appendix "D" to this Circular.</p>
7. (a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.	<p>The Board has delegated to the Compensation Committee the evaluation and assessment of the compensation of the Corporation's directors and executive officers.</p> <p>The Compensation Committee meets at least once a year at the end of the fiscal year of the Corporation. During this meeting, the Compensation Committee will review, among other things, the compensation of the Corporation's executive officers for the ensuing fiscal year and assess the performance of each executive</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMMENTS
<p>(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p> <p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>officer against the Corporation’s annual objective, the executive officer’s objectives and the performance of the shares to determine whether an executive officer is entitled to a bonus for his past services or any other forms of compensation. The Compensation Committee has the power to retain the services of third parties to help in the determination of the annual compensation of an executive officer. Where the Compensation Committee does not retain the services of a third party, the Compensation Committee may review publicly-available information regarding the compensation of executive officers holding a position similar to the position under review or purchase such information from third parties. The Compensation Committee will also take into consideration publicly-available information relating to the average percentage increase in compensation for executive officers in a particular year.</p> <p>The Compensation Committee reviews, from time to time, the compensation of the directors and members of the Board committees. The Compensation Committee has the power to retain the services of third parties to assist its members determining the compensation of directors and committee members.</p> <p>The Compensation Committee makes recommendations to the Board on the compensation to be paid to executive officers and directors and the Board has complete discretion to accept, reject or amend any recommendation made by the Compensation Committee.</p> <p>The Compensation Committee was comprised of four (4) independent directors in the fiscal year ended November 30, 2014, namely:</p> <ul style="list-style-type: none"> - Gilles Cloutier; - Paul Pommier; - Jean-Denis Talon (chair); and - Dawn Svoronos <p>The responsibilities, powers and operation of the Compensation Committee are described in Appendix “A” to this Circular.</p>
<p>8. If the Board has standing committees other than the audit, compensation, nominating committees, identify the committees and describe their function.</p>	<p>None</p>
<p>9. Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committee, and its individual directors are performing effectively.</p>	<p>The Nominating and Corporate Governance Committee is responsible to ensure that a process is in place for the review of the performance of individual directors, the Board as a whole, the Board committees, as well as the Board and Committee Chairs.</p> <p>Assessments are done on an on-going basis. In general, every two years, the Nominating and Corporate Governance Committee reviews and approves a performance evaluation questionnaire that is forwarded to members of the Board. This questionnaire covers a wide range of issues and allows for comments and suggestions. The questionnaire covers Board and individual director performance as well as that of Board committees, and the Board and committee chairs.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMMENTS
	<p>The responses to the questionnaire are sent on a no-name basis to the Corporate Secretary for review and compilation. The Corporate Secretary communicates with the chair of the Nominating and Corporate Governance Committee to review the responses and the chair of the Nominating and Corporate Governance Committee communicates with the chair of the Board to provide him with the results. The chair of the Board then communicates with each director to discuss the Board and Board Committee evaluations as well as individual director performance, including that of the Board and committee chairs.</p> <p>The chair of the Board then reports the results to the Board.</p> <p>A process of assessing the Board was begun after the announcement of the execution on December 13, 2013 of the agreement to terminate the collaboration and licensing agreement entered into with EMD Serono, Inc., on October 28, 2008. The assessment led to the recruitment of David D. Lilley as a nominee to act as a director of the Corporation.</p>

ITEM V. OTHER INFORMATION

1. Audit Committee Information

General

The audit committee (the “**Audit Committee**”) is currently composed of three independent directors, namely, Mr. Paul Pommier, who acts as the Chair, Gérald A. Lacoste and Jean-Denis Talon. See “ITEM II – Nominees” for the biography of each of the Audit Committee members. All of the Audit Committee members are financially literate within the meaning of *National Instrument 52-110 - Audit Committees*. The Audit Committee members are scheduled to meet without executive officers being present on a regular basis.

During the fiscal year ended November 30, 2014, the Audit Committee met a total of 4 times. Each member attended all meetings.

Role and Responsibilities

The Audit Committee is responsible for assisting the Board to oversee the followings:

- the integrity of the Corporation’s financial statements and information related thereto;
- the Corporation’s internal control system;
- the appointment and performance assessment of the external auditors; and
- the Corporation’s risk management matters.

On February 25, 2015, upon recommendation from the Audit Committee, the Board revised and amended some of the terms of the Charter of the Audit Committee. A copy of the revised Charter of the Audit Committee describing the role and responsibilities of the Audit Committee is attached as Appendix “E” to this Circular.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for the oversight of the independent external auditors’ work. The Audit Committee pre-approves all audit and non-audit services provided by the external auditors. These services may include audit services, audit-related services, tax services and other services. The Audit Committee appoints the auditors and oversees and fixes the compensation for all such services. The external auditors and the Corporation’s management report to the Audit Committee regarding the extent of services actually provided in accordance with the applicable pre-approval, and regarding the fees for services performed. The Audit Committee approved 100% of the fees listed in the table below under “Auditors’ Fees”.

Auditors’ Fees

The fees paid to the Auditors of the Corporation for the fiscal years ended November 30, 2014 and 2013 are shown in the table above under “ITEM II. Subjects to Be Treated at the Meeting – Appointment of Auditors”.

2. Shareholder Proposals

The deadline by which the Corporation must receive proposals from shareholders under the Act for presentation at the next annual meeting of shareholders is January 21, 2016.

3. Additional Documentation

The Corporation is a reporting issuer in all Canadian provinces and is required to file its financial statements and Circular with each Canadian Securities Commission. This year, the Corporation filed with such commissions an Annual Information Form (the “AIF”) prepared in accordance with the Canadian securities regulation. The Corporation suspended its obligations to file its documents with the Securities and Exchange Commission of the United States (the “SEC”) after filing a Form 15 with the SEC on February 3, 2015.

The financial information of the Corporation is provided in the Corporation's comparative financial statements and Management's Discussion & Analysis for its fiscal year ended November 30, 2014. Copies of the Corporation's financial statements, management proxy circular and AIF may be obtained on request to the Corporate Secretary of the Corporation at the following address: 2015 Peel Street, 5th Floor, Montreal, Québec, Canada, H3A 1T8 or by consulting the SEDAR Website at www.sedar.com. The Corporation may require the payment of a reasonable fee if the request is made by someone other than a security holder of the Corporation, unless the Corporation is in the course of a distribution of its securities pursuant to a short-form prospectus, in which case these documents will be provided free of charge.

4. Approval by the Board of Directors

The content and the sending of this Circular have been approved by the Board of the Corporation.

Montreal, Québec, Canada, April 20, 2015.

(signed) Jocelyn Lafond

Jocelyn Lafond
Corporate Secretary

APPENDIX A

COMPENSATION COMMITTEE CHARTER

I. Mandate

The Compensation Committee (the “**Committee**”) is responsible for assisting the Corporation’s Board of Directors (the “**Board**”) in overseeing the following:

- A. compensation of Senior Management;
- B. assessment of Senior Management;
- C. compensation of Directors;
- D. stock option grants;
- E. overall increase in total compensation.

II. Obligations and Duties

The Committee carries out the duties usually entrusted to a compensation committee and any other duty assigned from time to time by the Board. Specifically, the Committee is charged with the following obligations and duties:

- A. Compensation of Senior Management
 - 1. Develop a compensation policy for the Corporation’s Senior Management, notably the Senior Management compensation structure, annual salary adjustments as well as the creation and administration of short and long term incentive plans, stock options, indirect advantages and benefits proposed by the President and Chief Executive Officer.
 - 2. Review and establish all forms of compensation to Senior Management.
 - 3. Oversee, as required, employment contracts and terminations of Senior Management, notably severance pay.
 - 4. Oversee the Corporation’s annual report on Senior Management compensation part of the Corporation’s continuous disclosure requirements under applicable laws and regulations.
- B. Assessment of Senior Management
 - 1. Develop a written position description for the President and Chief Executive Officer.
 - 2. Establish general objectives annually for the President and Chief Executive Officer of the Corporation and for other members of senior management.

3. Examine and review annually the President and Chief Executive Officer's performance against specific performance criteria pre-established by the Committee.
4. Examine, in collaboration with the President and Chief Executive Officer, the annual performance assessment of other senior managers.

C. Compensation of Directors

1. Recommend to the Board approval of the Director's Compensation Policy.
2. Examine the compensation of Directors in relation to the risks and duties of their position.

D. Stock Option Grants

1. Oversee, review as needed and recommend Board approval of the Corporation Share Option Plan.
2. The Committee may delegate, at its discretion, the plan's administration to members of the Corporation's Management and employees.
3. Examine, oversee and recommend Board approval of stock option grants, specifically:
 - a. the people to whom options are granted;
 - b. the number of options granted;
 - c. the exercise price of the options;
 - d. the exercise period of the options; and
 - e. all other conditions relating to options granted.
4. Overall Increase in Total Compensation

Approve annually the Corporation's increase in overall compensation.

III. External Advisors

In discharging its duties and responsibilities, the Committee is empowered to retain external legal counsel or other external advisors, as appropriate. The Corporation shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Committee

The Committee is composed of any number of Directors, but no less than three, as may be determined by the Board from time to time by resolution. Each member of the Committee shall be independent from the Corporation, as determined by the Board, in accordance with applicable laws, rules and regulations.

V. Term of the Mandate

Committee members are appointed by Board resolution to carry out their mandate extending from the date of the appointment to the next annual general meeting of shareholders, or until successors are so appointed.

VI. Vacancy

The Board may fill vacancies at any time by resolution. Subject to the constitution of the quorum, the Committee's members can continue to act even if there is one or many vacancies on the Committee.

VII. Chairman

The Board appoints the Committee Chairman who will call and chair the meetings.

VIII. Secretary

Unless decided otherwise by resolution of the Board, the Secretary of the Corporation shall act as Committee Secretary. The Secretary must attend Committee meetings and prepare the minutes. He/she must provide notification of meetings as directed by the Committee Chairman. The Secretary is the guardian of the Committee's records, books and archives.

IX. Meeting Proceedings

The Committee establishes its own procedures as to how meetings are called and conducted. Unless it is otherwise decided, the Committee shall meet privately and independently from Management at each regularly scheduled meeting. In the absence of the regularly appointed Chairman, the meeting shall be chaired by another Committee member selected among attending participants and appointed accordingly. In the absence of the regularly appointed Secretary, Committee members shall designate someone to carry out this duty.

X. Quorum and Vote

Unless the Board otherwise specifies by resolution, two Committee members shall constitute an appropriate quorum for deliberation of items on the agenda. During meetings, decisions are reached by a majority of votes from Committee members, unless the quorum is of two members, in which case decisions are made by consensus of opinion.

XI. Records

The Committee keeps records that are deemed necessary for its deliberations and reports to the Board on its activities and recommendations on a regular basis.

XII. Effective Date

This charter was adopted by the Directors at its May 3, 2004 Board meeting. It was amended by the Directors during the February 8, 2006 Board meeting.

APPENDIX B

MANDATE OF THE BOARD OF DIRECTORS

I. Role

The Corporation's Board of Directors (the "**Board**") is ultimately responsible for the stewardship of the Corporation and executes its mandate directly or after considering recommendations from its related committees and Management.

Management is responsible for the Corporation's day-to-day activities and is charged with realizing strategic activities approved by the Board within the scope of its authorized business activities, capitalization plan and Corporation directives. Management must report regularly to the Board on matters relating to short-term results and long-term development activities.

II. Obligations and Responsibilities

The Board carries out the functions, performs duties and assumes the responsibilities entrusted by the laws and regulations. The Board may delegate some of its responsibilities to Board committees and Management within the scope of the Corporation's General By-laws, the laws and the regulations. Therefore, day-to-day management of the Corporation's activities is entrusted to Senior Management, which reports directly to the Board. One of the key functions of the Board is to appoint the senior management team.

The functions and duties of Board members include, without limitation, the following functions and duties:

- A. Appointment, assessment, succession planning of Senior Management
 - 1. Select and appoint the President and Chief Executive Officer of the Corporation.
 - 2. Oversee the appointment of other members of Senior Management.
 - 3. Ensure that the Corporation has a succession plan for the President and Chief Executive Officer.
 - 4. Monitor the performance of the President and Chief Executive Officer and others Executive Officers, with respect to pre-established objectives.
- B. Compensation of Directors
 - 1. Establish the compensation of Directors.
- C. Strategic Direction and Planning
 - 1. Adopt the Corporation's strategic planning process.

2. Approve the Corporation's strategic plan and review Senior Management's performance in implementing the plan.
3. Review the strategic plan annually, taking into account opportunities and risks, and monitoring the Corporation's performance against the plan.
4. Review and approve the Corporation's annual plans towards financing the strategic plan.
5. Review and approve the Corporation's annual operating budget.
6. Identify key business risks facing the Corporation and the implementation of appropriate systems to manage these risks.
7. Discuss with Management how the strategic environment is changing and the key strategic issues.

D. Corporate Behaviour and Governance

1. Develop an approach to corporate governance, including the determination of principles and guidelines for the Corporation.
2. Obtain reasonable assurance of the integrity of the President and Chief Executive Officer and other senior members of Management, and that they uphold principles of integrity within the ranks of the Corporation.
3. Oversee the implementation of a Corporation disclosure policies and procedures.
4. Monitor the integrity of the Corporation's internal controls and disclosure systems.
5. Be available to receive feedback from stakeholders, which must be provided in writing, at the Corporation's head office, bearing the mention "Confidential".

E. Personal Behaviours

1. Keep up-to-date with the regular programs and employees of the Corporation.
2. Upon request, join a committee and actively participate at its meetings.
3. Be accessible, at least by telephone, to personnel and other Corporation Directors, as required.
4. Keep confidential information discussed during meetings.
5. Attend regular and special Board meetings.
6. Get to know other members of the Board and promote collegial decision-making.

III. External Advisors

In discharging its duties and responsibilities, the Board is empowered to retain external legal counsel or other external advisors, as appropriate. The Corporation shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Board

The Board consists of such number of Directors as the Board may determine from time to time by resolution. The Board must assure itself that it is composed of Directors that are sufficiently familiar with the business of the Corporation, and the risks it faces, to ensure active and effective participation in the deliberations of the Board. Directors should have diverse backgrounds and personal characteristics and traits as well as competencies and expertise that add value to the Corporation. Finally, a majority of the Directors must be independent for the purposes of National Policy 58-201 Corporate Governance Guidelines.

V. Board Meeting Procedures

The Board follows the procedure established in the Corporation's General By-Laws.

VI. Records

The Corporation's Secretary keeps the records required by law and any other relevant document.

VII. Effective Date

This written mandate was adopted by the Directors at its February 8, 2006 Board meeting.

APPENDIX C

DIRECTOR ORIENTATION AND CONTINUING EDUCATION POLICY

The Board must first ensure that every new nominee as Director possesses the necessary skill, expertise, availability and knowledge to properly fulfil its mandate. Once a Director is effectively elected, the Chairman of the Board, the President and Chief Executive Officer and Secretary provide him with the specific information required for a well-informed contribution.

I. Purpose

The purpose of this Director Orientation and Continuing Education Policy (the “**Policy**”) is to set forth the Corporation’s process of orientation for newly appointed Corporation Directors to familiarize them with the role of the Corporation’s Board of Directors, its committees, its directors, and the nature and operation of the Corporation’s business activities. The Policy also indicates the elements of continuing education of the Board of Directors to ensure the Corporation Directors maintain the skill and knowledge necessary to fulfill their obligations as directors.

II. Orientation of New Directors

Newly appointed Directors first meet with the Chairman of the Board to discuss the functioning of the Board of Directors. Then, they meet with the President and Chief Executive Officer to discuss the nature and operation of the Corporation’s business activities. As required, meetings may be set up with other Senior Managers to further clarify some of the Corporation’s business activities. Finally, the Secretary provides new directors with the following documents:

- A. Copies of Board meeting minutes and written resolutions since the beginning of the fiscal year (which may include those of the preceding fiscal year, depending of the date of appointment), including a copy of the minutes of the last annual meeting;
- B. A schedule of Board Meetings for the year;
- C. The disclosure policies et procedures and the “Undertaking” form (for signature);
- D. The policy on insider trading in force at Theratechnologies (with mention to register as an insider with the Canadian securities agency through SEDI.ca and to prepare an initial insider report within ten (10) days following appointment);
- E. Theratechnologies’ Share Option Plan;
- F. The latest annual report and accompanying information on Theratechnologies (fact sheet, latest press releases, latest annual information form and corporate presentation);
- G. The Director Disclosure Form (to complete and return within afforded time);
- H. The General By-Laws, the Board’s written mandate, the Audit Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Charter; and

I. The Directors and Senior Management coverage and compensation.

III. Continuing Education

The following actions are taken to ensure the continuing education of Directors:

- A. Management provides Directors, from time to time, with pertinent articles and books relating to the Corporation's business, its competitors, corporate governance and regulatory issues;
- B. Key Corporation executives make regular presentations to the Board on business activities;
- C. Certain consultants present to the Board on matters relevant to their role and duties. Consultants such as insurance brokers presenting on risks faced by the Corporation or consultants presenting a long-term strategy for the Corporation;
- D. The Secretary offers Directors continuing education in the form of presentations on new legal and regulatory requirements that impact the Board.

IV. Review

This Policy is reviewed and modified when the Board of Directors considers it necessary and desirable.

APPENDIX D

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. Mandate

The Nominating and Corporate Governance Committee (the “**Committee**”) is responsible for assisting the Corporation’s Board of Directors (the “**Board**”) in overseeing the following:

- A. Recruit candidates for the Board;
- B. Review the size of the Board;
- C. Composition of the Board;
- D. Function of the Board;
- E. Orientation and education of Board members; and
- F. Governance.

II. Obligations and Duties

The Committee carries out the duties usually entrusted to a Nominating and Corporate Governance Committee and any other duty assigned from time to time by the Board. Specifically, the Committee is charged with the following obligations and duties:

- A. Recruit Candidates for the Board
 - 1. Identify potential candidates as members of the Corporation’s Board of Directors. In so doing, the Committee will consider:
 - a. independence of candidates under the terms of National Policy 58-201 on corporate governance;
 - b. the competencies, skills and personal characteristics sought in candidates. The Committee will determine what it considers necessary by assessing competencies, skills and personal characteristics of the candidates in relation to: (1) those generally required by the Board; (2) those already present in other Board members; and (3) those which are a welcome addition; and
 - c. the availability of candidates.
 - 2. All Board members may submit to the Committee potential candidates for membership, and the Committee shall review such candidates in light of above described competencies and skills desirable for the Board.

3. The Committee shall proceed as follows for the recruitment of candidates:
 - a. as it is determined by the Committee and the Board of Directors that Board vacancies must be filled or new members are desirable, the Chairman of the Board of Directors shall make contact with candidates that have been identified by the Committee per the above described criteria;
 - b. upon a positive evaluation by the Chairman of the Board of Directors and positive reaction from the candidate, at least two (2) members of the Board shall meet with the candidate; and
 - c. upon a positive evaluation by the two (2) Board members and the continuing interest of the candidate, the Committee shall make a recommendation to the Board of Directors, providing all pertinent background information for analysis and discussion by the Directors.

B. Board Size

The Board must be composed of 3 to 20 directors, as per the Corporation's articles of incorporation and by law. As provided under the terms of the Corporation General By-Laws, the Board shall exercise its power to establish by resolution the exact number of directors. In this regard, the duties of the Committee are as follows:

1. Examine the size of the Board annually in view of assessing its effectiveness.
2. Consider modifications to the number of constituting members and issue its recommendations to the Board.

C. Composition of the Board

1. Ensure that the Board is composed of Directors that are sufficiently familiar with the business of the Corporation, and the risks it faces, to ensure active and effective participation in the deliberations of the Board.
2. Ensure that Directors have diverse backgrounds and personal characteristics and traits as well as competencies and expertise that add value to the Corporation.
3. Ensure that a majority of the directors are independent directors for the purposes of National Policy 58-201 Corporate Governance Guidelines.

D. Board Functioning

1. Examine the Board's functions and issue recommendations as to its obligations and role. Among others, the Committee must regularly review the Board's written mandate.
2. Determine and review, as needed, the roles and mandates of Board committees and issue recommendations.

E. Orientation and Continuing Education of Board Members

Develop an orientation and continuing education policy for Directors.

F. **Governance**

1. Follow corporate governance developments and, as required, advise the Board of appropriate actions.
2. Examine appropriate actions to promote ethical business conduct, issue relevant recommendations to the Board and oversee their implementation.
3. Examine conflict of interest issues that may be brought to the attention of the Board and offer solutions.

III. External Advisors

In discharging its duties and responsibilities, the Committee is empowered to retain external legal counsel or other external advisors, as appropriate. The Corporation shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Committee

The Committee is composed of any number of Directors, but no less than three, as may be determined by the Board from time to time by resolution. Each member of the Committee shall be independent from the Corporation, as determined by the Board in accordance with applicable laws, rules and regulations.

V. Term of the Mandate

Committee members are appointed by Board resolution to carry out their mandate extending from the date of the appointment to the next Annual General Meeting of Shareholders, or until successors are so appointed.

VI. Vacancy

The Board may fill vacancies at any time by resolution. Subject to the constitution of the quorum, the Committee's members can continue to act even if there is one or many vacancies on the Committee.

VII. Chairman

The Board appoints the Committee Chairman who will call and chair the meetings.

VIII. Secretary

Unless decided otherwise by resolution of the Board, the Secretary of the Corporation shall act as Committee Secretary. The Secretary must attend Committee meetings and prepare the minutes. He must provide notification of meetings as directed by the Committee Chairman. The Secretary is the guardian of the Committee's records, books and archives.

IX. Meeting Proceedings

The Committee establishes its own procedures as to how meetings are called and conducted. Unless it is otherwise decided, the Committee shall meet privately and independently from Management at each

regularly scheduled meeting. In the absence of the regularly appointed Chairman, the meeting shall be chaired by another Committee member selected among attending participants and appointed accordingly. In the absence of the regularly appointed Secretary, Committee members shall designate someone to carry out this duty.

X. Quorum and Vote

Unless the Board otherwise specifies by resolution, two Committee members shall constitute an appropriate quorum for deliberation of items on the agenda. During meetings, decisions are reached by a majority of votes from Committee members, unless the quorum is of two members, in which case decisions are made by consensus of opinion.

XI. Records

The Committee keeps records that are deemed necessary for its deliberations and reports to the Board on its activities and recommendations on a regular basis.

XII. Effective Date

This charter was adopted by the Directors during the February 8, 2006 Board meeting.

APPENDIX E

AUDIT COMMITTEE CHARTER

I. Mandate

The Audit Committee (the “Committee”) is responsible for assisting the Company’s Board of Directors (the “Board”) in overseeing the following:

- F. the integrity of the Company’s financial statements and related information;
- G. the internal control systems of the Company;
- H. the appointment and performance of the external auditor; and
- I. the supervision of the Company’s Risk Management.

II. Obligations and Duties

The Committee carries out the duties usually entrusted to an audit committee and any other duty assigned from time to time by the Board. Management has the responsibility to ensure the integrity of the financial information and the effectiveness of the Company’s internal controls. The external auditor has the responsibility to verify the fair presentation of the Company’s financial statements; at the same time evaluating the internal control process to determine the nature, extent and timing of the auditing procedures used for the financial statement audit. The Committee has the responsibility to supervise the participants involved in the preparation process of the financial information and to report on this to the Board.

Specifically, the Committee is charged with the following obligations and duties:

- A. Integrity of the Company’s Financial Statements and Related Information
 - 1. Review annual and quarterly consolidated financial statements and all financial information legally required to be disclosed by the Company, i.e. financial information contained in the “Management Discussion and Analysis” report, the Annual Information Form and the press releases, as the case may be, discuss such with management and the external auditor, as applicable, and suggest recommendations to the Board, as the case may be.
 - 2. Approve the interim Financial Statements, the interim "Management Discussion and Analysis" reports and all supplements to these "Management Discussion and Analysis" reports which have to be filed with regulatory authorities.
 - 3. On a periodic basis, review and discuss with management and the external auditor, as applicable, the following:
 - a. major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles, and major issues as to the adequacy of the Company’s internal controls and any special audit steps adopted in light of material control deficiencies;

- b. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and
 - c. the type and presentation of information to be included in press releases dealing with financial results (paying particular attention to any use of pro-forma information or information adjusted by means of non-generally accepted accounting principles).
4. Review and discuss reports from the external auditor on:
- b. all critical accounting policies and practices used by the Company;
 - c. all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternate treatments and disclosures and the treatment preferred by the external auditor;
 - d. the external auditors' report to the Committee on the planning of external auditing; and
 - e. the external auditors' report to the Committee on the auditing results.

B. Supervision of the Company's Internal Control Systems

1. Review and discuss with management and, when appropriate, provide recommendations to the Board on the following:
 - a. actual financial data compared with budgeted data;
 - b. the Company's internal control system;
 - c. the relationship of the Committee with the management and audit committees of the Company's consolidated subsidiaries. With respect to the subsidiaries, the Committee must:
 - obtain precisions as to the mandate of the audit committees;
 - enquire about internal controls and study related risks;
 - obtain copy of the minutes of the audit committees' meetings; and
 - ensure that the critical accounting policies and practices are identical to the Company's.
2. Study the feasibility of implementing an internal auditing system and when implemented, establish its responsibilities and supervise its work.
3. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

C. Appointment and Performance Supervision of the External Auditor

1. Provide recommendations to the Board on the selection of the external auditor to be appointed by the shareholders.
2. Approve in advance and recommend to the Board the external auditor's remuneration and more specifically fees and terms of all audit, review or certification services to be provided by the external auditor to the Company and any consolidated subsidiary.
3. Supervise the performance of the external auditor in charge of preparing or issuing an audit report or performing other audit services or certification services for the Company or any consolidated subsidiary of the Company, where required, and review all related questions as to the terms of its mission and the revision of its mission.
4. Pre-approve all engagements for permitted non-audit services provided by the external auditor to the Company and any consolidated subsidiary, and to this effect and at its convenience, establish policies and procedures for the engagement of the external auditor to provide to the Company and any consolidated subsidiary permitted non-audit services, which shall include approval in advance by the Committee of all audit/review services and permitted non-audit services to be provided to the Company and any consolidated subsidiary by the external auditor.
5. At least annually, consider, assess and report to the Board on:
 - a. the independence of the external auditor, including whether the external auditor's performance of permitted non-audit services is compatible with the external auditor's independence;
 - b. the obtaining from the external auditor of a written or verbal statement i) describing all relationships between the external auditor and the Company that may reasonably be thought to bear on their independence; ii) assuring that lead audit partner rotation is carried out, as required by law; and iii) describing any other relationship that may reasonably be thought to affect the independence of the external auditor; and
 - c. the evaluation of the lead audit partner, taking into account the opinions of management and the internal auditor.
6. At least annually, obtain and review a report by the external auditor describing:
 - a. the external auditor's internal quality-control procedures; and
 - b. any material issues raised by the most recent internal quality-control review (or peer review) of the external auditor's firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the external auditor's firm, and any steps taken to deal with any such issues.
7. Resolve any disagreement between management and the external auditor regarding financial reporting.
8. Review the audit process with the external auditor.
9. Review and discuss with the Chief Executive Officer and Chief Financial Officer of the Company the process for the certifications to be provided in the Company's public disclosure documents.
10. Meet periodically with the external auditor in the absence of management.

11. Establish procedures with respect to hiring the external auditor's employees and former employees.

D. Supervision of the Company's Risk Management

Review, report and, where appropriate, provide recommendations to the Board on the following:

1. the Company's processes for identifying, assessing and managing risk;
2. the Company's major financial risk exposures and the steps the Company has taken to monitor and control such exposures;
3. the Company's insurance portfolio and the adequacy of the coverage; and
4. the Company's investment policy.

III. External Advisors

In discharging its duties and responsibilities, the Committee is empowered to retain external legal counsel or other external advisors, as appropriate. The Company shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Committee

The Committee is composed of any number of Directors, but no less than three, as may be determined by the Board from time to time by resolution. Each member of the Committee shall be independent from the Company and is financially literate, as determined by the Board and in conformity with applicable laws, rules and regulations.

V. Term of the Mandate

Committee members are appointed by Board resolution to carry out their mandate extending from the date of the appointment to the next annual general meeting of the shareholders or until their successors are so appointed.

VI. Vacancy

The Board may fill vacancies at any time by resolution. Subject to the constitution of the quorum, the Committee's members can continue to act even if there is one or many vacancies on the Committee.

VII. Chairman

The Board appoints the Committee Chairman who will call and chair the meetings. The Chairman reports to the Board the deliberations of the Committee and its recommendations.

VIII. Secretary

Unless otherwise determined by resolution of the Board, the Secretary of the Company shall act as Committee Secretary. The Secretary must attend Committee meetings and prepare the minutes.

He/she must provide notification of meetings as directed by the Committee Chairman. The Secretary is the guardian of the Committee's records, books and archives.

IX. Meeting Proceedings

The Committee establishes its own procedures as to how meetings are called and conducted. Unless it is otherwise decided, the Committee shall meet privately and independently from Management at each regularly scheduled meeting. In the absence of the regularly appointed Chairman, the meeting shall be chaired by another Committee member selected among attending participants and appointed accordingly. In the absence of the regularly appointed Secretary, Committee members shall designate someone to carry out this duty.

The Committee shall meet at least four times a year with management and the external auditor, and at least once a year, separately in executive session in the absence of management and the external auditor. At least once a year, the Committee invites the Chief Financial Officer of each subsidiary to present the financial information and internal control systems related to such subsidiary.

X. Quorum and Voting

Unless the Board otherwise specifies by resolution, two Committee members shall constitute an appropriate quorum for deliberation of items on the agenda. During meetings, decisions are reached by a majority of votes from Committee members, unless the quorum is of two members, in which case decisions are made by consensus of opinion.

XI. Records

The Committee keeps records that are deemed necessary of its deliberations and reports regularly to the Board on its activities and recommendations.

XII. Effective Date

This charter was adopted by the Directors at its May 3, 2004 Board meeting. It was amended by the Directors during the April 13, 2005, February 8, 2006 and February 25, 2015 Board meetings.