

INSIDER TRADING AND BLACKOUT PERIOD POLICY



KNIGHT THERAPEUTICS INC.

MARCH 2022

Knight Therapeutics Inc. Insider Trading and Blackout Period Policy

1 INTRODUCTION

1.1 Expectations

As a public company, Knight Therapeutics Inc. has internal guidelines to control transactions involving its securities by its directors, officers, consultants and employees to ensure they are aware of and comply with their legal obligations and Knight's policy with respect to "insider trading" and "tipping". Knight, as used in this Policy, means Knight Therapeutics Inc. and its Subsidiaries (as defined in Section 2.3 below), as they may exist from time to time.

Each director, officer, consultant and employee is required to strictly abide by all applicable legal requirements and this Policy. The objectives of this Policy are to:

- (a) educate directors, officers, consultants and employees about their legal obligations with respect to insider trading and tipping; and
- (b) foster and facilitate compliance with applicable laws to prevent transactions by directors, officers, consultants and employees that would not be in full compliance with the legal requirements.

1.2 Scope of this Policy

This Policy applies to all directors, officers, consultants and employees of Knight and to their Family Members (as defined below). This Policy continues to apply to transactions in securities (including, without limitation, common shares, options and any other securities which may be issued and outstanding from time to time) of Knight by directors, officers, consultants and employees of Knight and their Family Members and persons whose transactions in Knight's securities are directed by, or subject to, their control even after termination of employment by Knight. If such persons are in possession of Material Information which has not been generally disclosed when their employment is terminated, such persons may not purchase, sell, hedge or otherwise trade in securities of Knight until that information has become public or is no longer material.

This Policy is intended to supplement, and is not intended to replace, applicable securities legislation. Questions concerning this policy or applicable legal requirements should be directed to Knight's Chief Financial Officer (the "CFO")

2 LEGAL BACKGROUND

2.1 Insider Trading

- (a) Securities legislation prohibits any person in a "special relationship" with Knight from purchasing or selling securities issued by Knight, and also from engaging in various hedging and derivative transactions in respect of such securities, with knowledge of a material fact or material change (as defined in Section 2.3 below) with respect to Knight

that has not been generally disclosed. This prohibited activity is commonly known as “insider trading”.

- (b) Under securities legislation, a person in a “special relationship” includes but is not limited to:
- (i) a director, officer or employee of Knight;
 - (ii) any person or company who beneficially owns, directly or indirectly, more than 10% of the voting securities of Knight or who exercises control or direction over more than 10% of the votes attached to the voting securities of Knight or a combination of both carrying more than 10% of the votes attached to the voting securities of Knight;
 - (iii) a person or company that is proposing to make a take-over bid (as defined in the *Securities Act* (Ontario)) for the securities of Knight;
 - (iv) a person engaged in or who is proposing to engage in any business or professional activity with or on behalf of Knight, and includes, without limitation, a consultant;
 - (v) a director, officer or employee of a person mentioned in clause (iii) or clause (iv) above; and
 - (vi) a person that learns of a material fact or material change with respect to Knight from any other person who is in a special relationship with Knight, and knows or ought reasonably to have known that the other person is a person in such a relationship.
- (c) Securities legislation also prohibits any person in a “special relationship” with Knight from purchasing or selling the securities of any public company other than Knight when the person has knowledge of a material fact or material change regarding that other public company which has not been generally disclosed and which knowledge was gained during the course of the person’s work at Knight.

2.2 Tipping

Securities legislation prohibits a company or any person in a “special relationship” with an issuer from informing any other person, other than in the “necessary course of business”, of a material fact or material change in respect of the issuer before the material fact or material change has been generally disclosed. This prohibited activity is commonly known as “tipping”. Both the person who provides the information and the person who receives the information could be liable under securities laws if the person who receives the information purchases or sells securities of the issuer.

2.3 Definitions

- (a) “**Blacked-Out Employee**” means a director, officer, consultant or employee who is described in Section 3.3(a)(ii) of this Policy.

- (b) **“discretionary blackout periods”** are imposed by the CFO from time to time on directors, officers, consultants and employees, in addition to the regularly scheduled blackout periods, following consultation with the Chief Executive Officer and, if deemed appropriate by the Chief Executive Officer and CFO, the Chairman of the board of directors of Knight (the **“Board”**).
- (c) **“Family Member”** means, in relation to any director, officer, consultant or employee of Knight, any spouse (including common-law), child, stepchild, grandchild, parent or stepparent sharing the same household as the director, officer, consultant or employee, and others living in their households, and investment partnerships and other entities (including trusts and corporations) over which such directors, officers, consultants or employees have or share voting or investment control.
- (d) **“generally disclosed”** information has been **“generally disclosed”** if: (i) the information has been disseminated in a manner calculated to effectively reach the marketplace; and (ii) public investors have been given a reasonable amount of time to analyze the information.
- (e) **“Insider”** means a director or officer who is described in Section 3.3(a)(i) of this Policy.
- (f) **“material change”**, in relation to the affairs of Knight, means a change in the business, operations or capital of Knight that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Knight and includes a decision to implement such a change made by (i) the board of directors of Knight or (ii) senior management of Knight in the belief that confirmation of the decision by the board of directors of Knight is probable.
- (g) **“material fact”**, in relation to securities issued or proposed to be issued by Knight, means a fact that would reasonably be expected to have a significant effect on the market price or value of such securities.
- (h) **“Material Information”** means any information relating to the business and affairs of Knight that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the securities issued by Knight. Material Information includes both material changes and material facts. (See attached Schedule A for examples of potential Material Information.)
- (i) **“regularly scheduled blackout period”** means a period beginning on the 15th day after the end of the third calendar month of each quarter and ending after two full trading days have elapsed following the issuance of releases its related annual or quarterly financial results. For example, should Knight release its quarterly results prior to the opening of trading on a Thursday, the blackout period would end prior to the opening of trading on the following Monday.
- (j) **“Subsidiary”** in relation to Knight means any other corporation of which Knight owns or controls, whether directly or through one or more intermediary entities, voting securities to which are attached the right to vote more than 50% of the total voting rights in respect of the election of directors of such other corporation and includes also

any partnership or other unincorporated association in which Knight has a controlling interest, whether held directly or through intermediary entities.

3 OBLIGATIONS

3.1 Obligations on All Directors, Officers, Consultants and Employees

- (a) Directors, officers, consultants, employees and their Family Members are prohibited from purchasing or selling securities of Knight, and from engaging in hedging transactions in respect thereof, while in possession of Material Information with respect to Knight which has not been generally disclosed.
- (b) Directors, officers, consultants, employees and their Family Members are prohibited from purchasing or selling securities of another public company while in possession of undisclosed Material Information regarding that public company which knowledge was gained during the course of the director's, officer's or employee's work at Knight.
- (c) Directors, officers, consultants, employees and their Family Members are prohibited from informing other persons or companies of Material Information regarding Knight before that Material Information has been generally disclosed, unless, in the case of directors, officers, consultants and employees, the director, officer, consultant or employee discloses that Material Information in the "necessary course of Knight's business".
- (d) Directors, officers, consultants, employees and their Family Members are prohibited from informing other persons or companies of Material Information regarding a public company where the director, officer or employee has gained knowledge of Material Information regarding that public company in the course of their work at Knight before that Material Information has been generally disclosed, unless, in the case of directors, officers, consultants and employees, the director, officer, consultant or employee discloses that Material Information in the "necessary course of Knight's business".

The "necessary course of business" exception is a limited one and exists so as not to unduly interfere with Knight's ordinary business activities. The exception could cover communications that are required to be made to further the business purposes of Knight with:

- (i) vendors, suppliers or strategic partners on issues such as research and development, sales and marketing and supply contracts;
- (ii) employees, officers, consultants and board members;
- (iii) lenders, legal counsel, underwriters, auditors, and financial and other professional advisors to Knight;
- (iv) parties to various types of negotiations with Knight; or
- (v) government agencies and non-governmental regulators.

3.2 Prohibitions Against Short Selling and Certain Options Trading

In addition to the obligations set forth in Section 3.1 above, directors, officers, consultants and employees of Knight and their Family Members shall not engage in the short selling of, or hedging of the Company's Securities, including, but not limited to, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, and other transactions where the individual would benefit from a decline in the market price.

Any violation of this Policy will result in disciplinary action, up to and including termination of employment and/or restrictions on future participation in incentive plans.

At any given time, the Board may seek to improve one or more aspects of its anti-hedging policy.

3.3 Additional Obligations on Insiders and Blacked-Out Employees

Additional obligations are imposed on directors, officers, consultants and employees of Knight who are Insiders and Blacked-Out Employees, in the manner described in this Section 3.3.

(a) Definitions

(i) Who is an Insider?

The following individuals are Insiders of Knight:

- directors and officers (including consultants who perform the services of an officer) of Knight; and
- any other individual that would be considered a "reporting insider" as such term is defined in National—Instrument 55-104-Insider Reporting Requirements and Exemptions.

(ii) Who is a Blacked-Out Employee for the purposes of regularly scheduled blackout periods?

The following are Blacked-Out Employees of Knight for the purposes of regularly scheduled blackout periods:

- all Insiders and their Family Members;
- all employees and their Family Members; and
- all consultants who are notified by the CFO that they have been designated as Blacked-Out Employees in respect of such periods, and their Family Members.

- (iii) Who is a Blacked-Out Employee for the purposes of discretionary blackout periods?

The following are Blacked-Out Employees of Knight for the purposes of regularly scheduled blackout periods:

- all Insiders and their Family Members; and
- all employees and consultants who are notified by the CFO that they have been designated as Blacked-Out Employees in respect of such periods, and their Family Members.

(b) *Additional Obligations on Insiders*

- (i) Approval from CFO or CEO

All Insiders and their Family Members must obtain prior approval from the CFO any time they wish to trade in any of the securities of Knight.

(c) *Obligations of Blacked-Out Employees*

During regularly scheduled or discretionary blackout periods, the affected Blacked-Out Employees cannot:

- (a) purchase, sell, hedge or otherwise trade in any securities of Knight;
- (b) exercise stock options; or
- (c) purchase, sell or otherwise trade in restricted shares, restricted share units, performance share units, deferred share units, SARs or any other security, the market price of which varies with the market price of securities of Knight, or any other right or obligation to purchase or sell securities of Knight.

3.4 Waiver

Notwithstanding any of the prohibitions contained in Section 3.3, the CFO may, at its discretion, waive the prohibitions contained in Section 3.3 in exceptional circumstances, provided that the person seeking the waiver does not have any undisclosed Material Information and that making such an exception would not violate any applicable securities laws. The CFO will report any such waivers to the Board at the next regularly scheduled meeting of the Board.

3.5 Potential Dismissal, Civil and Criminal Penalties

The consequences of prohibited insider trading, tipping, short selling or a failure to file an insider report where required on a timely basis can be severe and may include dismissal, fines, civil remedies and criminal sanctions.

3.6 Certificate of Compliance

Upon the implementation of this Policy, and the implementation of each amendment, supplement or modification to this Policy or replacement of this Policy, each director, officer, consultant and employee of Knight shall promptly complete and return to the CFO a Certificate of Compliance in the form attached as Schedule B.

**Insider Trading and Blackout Periods
Quick Reference List**

DO NOT TRADE IN SECURITIES OF KNIGHT OR OF ANOTHER PUBLIC COMPANY WHEN YOU:

- know Material Information about Knight which has not been generally disclosed and disseminated to the public;
- know Material Information about another public company which has not been generally disclosed and disseminated to the public and you learned of such Material Information because of your business or dealings with Knight;
- are subject to a blackout period;
- have not obtained prior written approval to trade, where required; or
- have received any other notice from management that you cannot trade in securities.

SCHEDULE A

Examples of Potential Material Information

The following are examples of information that could be Material Information as they may result in, or may reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of Knight and/or a reasonable investor may consider them important in making a decision to buy, hold or sell securities:

Changes in Corporate Structure

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in the company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policy

Changes in Business and Operations

- any development that affects the company's resources
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts or significant losses of contracts or business
- significant discoveries
- changes to the board of directors or executive management, including the departure of the company's CEO, CFO, COO or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any material mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

SCHEDULE B

CERTIFICATE OF COMPLIANCE



_____ hereby certify that I have read,
(Print name)

understand and will comply with the terms of the Knight Therapeutics Inc. Insider Trading and Blackout Period Policy. I confirm that I am not and have not been aware of any breach of the policy on my part.

I understand that violation of this policy may result in disciplinary action, including possible termination and criminal action.

Date: _____

Signature: _____

Title: _____