



**KNIGHT THERAPEUTICS INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**May 26, 2020**

NOTICE IS HEREBY GIVEN that the Annual Meeting (the “**Meeting**”) of the shareholders of Knight Therapeutics Inc. (the “**Corporation**” or “**Knight**”) will be held :

Where:

Virtual only meeting only via live online audio webcast at <https://web.lumiagm.com/102307961>

When:

Thursday, June 25, 2020 10:00 a.m. (Eastern time)

The following items of business will be covered, as more fully described in the accompanying management information circular

1. Receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2019 together with the auditors’ report thereon;
2. Elect the directors for the ensuing year;
3. Re-appoint Ernst & Young LLP as auditors of the Corporation and to authorize the Board of Directors of the Corporation to fix the auditors’ remuneration;
4. Consider, and if deemed advisable, approve unallocated options under the Corporation’s stock option plan (the “Option Plan”) for the ensuing three years;
5. Transact such other business as may properly come before the Meeting or any adjournment thereof.

**Virtual only format**

This year, to proactively deal with the unprecedented public health impact of COVID-19 and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our meeting in a virtual only format, which will be conducted via live audio webcast. At the virtual Meeting, shareholders will have an opportunity to participate regardless of their geographic location. Shareholders will not be able to physically attend the meeting.

Registered shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the meeting online at <https://web.lumiagm.com/102307961> . Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as guests, but guests will not be able to vote or submit questions at the meeting.

Montreal, Quebec, May 26, 2020

By order of the Board of Directors,

*(s) Jonathan Ross Goodman*

*(s) James C. Gale*

Jonathan Ross Goodman, B.A., LL.B., M.B.A.

James C. Gale

Chief Executive Officer, Director

Chairman of the Board of Directors

Kindly complete and return the enclosed form of proxy to the transfer agent, AST Trust Company (Canada) in the envelope provided vote virtually or vote by telephone using the instructions listed on the enclosed form of proxy. **In order to be valid, the proxy must be received by AST Trust Company (Canada) no later than 10:00 a.m. EST on June 23, 2020. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.**

**KNIGHT THERAPEUTICS INC.  
MANAGEMENT INFORMATION CIRCULAR  
SOLICITATION AND REVOCATION OF PROXIES**

**This Management Information Circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Knight Therapeutics Inc. (the “Corporation”) to be used at the Annual Meeting of Shareholders of the Corporation (the “Meeting”) or any adjournment thereof to be held at the time and place for the purposes set forth in the foregoing notice of the said Meeting.**

Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, fax, email or oral communication by the directors, officers and employees of the Corporation and its subsidiaries, at no additional compensation. All costs associated with the solicitation of proxies by the Corporation will be borne by the Corporation. The persons named in the accompanying form of proxy are directors or officers of the Corporation.

**However, each holder of common shares of the Corporation (the “Common Shares”) has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons specified above to represent the shareholder at the Meeting in the manner and to the extent permitted pursuant to the terms of the enclosed form of proxy. Such right may be exercised by inserting the name of such person in the blank space provided in such form of proxy.**

Pursuant to Section 148 (4) of the *Canada Business Corporations Act*, a shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing and depositing it either (i) at the following address: 1501 McGill College Avenue, 26<sup>th</sup> Floor, Montreal, Quebec H3A 3N9 to the attention of Knight Therapeutics Inc., care of Davies Ward Phillips & Vineberg LLP, no later than the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the chairman of such Meeting on the day of the Meeting, or any adjournment thereof. A shareholder may also revoke a proxy by delivering another form of proxy duly signed and bearing a later date, by depositing it in the above manner or in any other manner permitted by law.

**VOTING OF PROXIES**

All properly executed forms of proxy, not previously revoked, will be voted or withheld from voting at the Meeting in accordance with the instructions contained therein on any ballot that may be called for. **Forms of proxy containing no instructions regarding the matters specified therein will be voted in favour of such matters. In the event, not presently anticipated, that any other matter is brought before the Meeting and is submitted to a vote, the form of proxy may be voted in accordance with the judgment of the persons named therein.** The form of proxy also confers discretionary authority in respect of amendments to or variations in all matters that may properly come before the Meeting.

**NON-REGISTERED SHAREHOLDERS**

The names of the shareholders whose shares are held in the name of a broker or another intermediary will not appear on the list of shareholders of the Corporation. If a shareholder is not a registered shareholder of the Corporation, in order to vote the shareholder must obtain the materials relating to the Meeting from its broker or other intermediary, complete the request for voting instructions sent by the broker or other intermediary and follow the directions of the broker or other intermediary with respect to voting procedures.

In accordance with National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer adopted by the Canadian Securities Administrators (the “CSA”), the Corporation is distributing copies of the materials related to the Meeting to clearing agencies and intermediaries for distribution to non-registered holders. Intermediaries must forward the materials related to the Meeting to non-registered holders, the cost of which will not be assumed by the Corporation, and often use a service company (such as Broadridge Financial Solutions) to permit a shareholder, if it is not a registered shareholder, to direct the voting of the Common Shares which such shareholder

beneficially owns. If a shareholder is a non-registered shareholder of the Corporation, it may revoke voting instructions which have been given to an intermediary at any time by written notice to the intermediary. If a shareholder is a non-registered shareholder of the Corporation, such shareholder should submit voting instructions to its intermediary or broker in sufficient time to ensure that such shareholder's votes are received by the Corporation in the manner and to the extent permitted pursuant to the terms of the enclosed form of proxy.

## **Voting in Person via Webcast**

### **For A Registered Shareholder**

Registered shareholders have the ability to participate, ask questions, and vote at the Meeting using the LUMI meeting platform. Eligible registered shareholders may log in at <https://web.lumiagm.com/102307961>, click on "I have a Control Number", enter the 13-digit Control Number found on the proxy, and the password **Knight2020** (case sensitive), then click on the "Login" button. During the Meeting, you must ensure you are connected to the Internet at all times in order to vote when polling is commenced on the resolutions put before the Meeting. It is your responsibility to ensure Internet connectivity. **Non-registered shareholders must follow the procedures outlined below to participate in the Meeting using the LUMI meeting platform.** Non-registered shareholders who fail to comply with the procedures outlined below may nonetheless view a live audio webcast of the Meeting by going to the same URL as above and clicking on "I am a guest" or on our website at [www.gud-knight.com/investors-overview/events-webcasts/](http://www.gud-knight.com/investors-overview/events-webcasts/).

### **Appointing another person to attend the Meeting virtually and vote your Knight Shares for you:**

**You may appoint a person other than the directors and officers designated by the Company on your proxy form to represent you and vote on your behalf at the Meeting.** This person does not have to be a shareholder. To do so, strike out the names of our directors and officers that are printed on the proxy form and write the name of the person you are appointing in the space provided. Complete your voting instructions, sign, and date the proxy form, and return it to AST as instructed. Please ensure that the person you appoint is aware that he or she has been appointed to attend the virtual Meeting on your behalf.

In order to participate in the virtual Meeting, your proxyholder must contact AST at 1-866-751-6315 (within North America) or 1-212-235-5754 (outside of North America) by 10:00 a.m. (Eastern time) on June 23, 2020 in order to obtain a Control Number for the Meeting. This Control Number will allow your proxyholder to log in to the live webcast and vote at the Meeting using the LUMI meeting platform. **Without a Control Number, your proxyholder will not be able to vote at the Meeting.** AST will provide your duly appointed proxyholder with a Control Number provided that your proxy has been received by AST prior to this deadline. Please note that you cannot appoint anyone other than the directors and officers named on your proxy form as your proxyholder if you vote by telephone.

### **For A Non-Registered Shareholder**

We do not have access to the names or holdings of our non-registered shareholders. That means you can only vote Your Knight Shares virtually at the Meeting if you have (a) previously appointed yourself as the proxyholder for your Knight Shares, by printing your name in the space provided on your voting instruction form and submitting it as directed on the form, and (b) by no later than 10:00 a.m. (Eastern time) on June 23, 2020, you contacted AST at 1-866-751-6315 (within North America) or 1-212-235-5754 (outside of North America) to obtain a 13-digit Control Number for the Meeting. This Control Number will allow you to log in to the live webcast and vote at the Meeting. **Without a Control Number, you will not be able to ask questions or vote at the Meeting.**

**You may also appoint someone else as the proxyholder for your Knight Shares by printing their name in the space provided on your voting instruction form and submitting it as directed on the form.** If your proxyholder intends to participate in the virtual Meeting, he or she must contact AST at 1-866-751-6315 (within North America) or 1-212-235-5754 (outside of North America) by no later than 10:00 a.m. (Eastern time) on June 23, 2020 to obtain a 13-digit Control Number for the Meeting. Your voting instructions must be received in sufficient time to allow your voting instruction form to be forwarded by your intermediary to AST before 10:00 a.m. (Eastern time) on June 23, 2020.

## SHAREHOLDER PROPOSALS FOR 2021 ANNUAL MEETING

Shareholder proposals intended to be presented at the Corporation's 2021 annual meeting of shareholders must be submitted for inclusion in the Corporation's proxy materials prior to December 31, 2020.

### VOTING SHARES AND PRINCIPAL SHAREHOLDERS

Holders of Common Shares who are included in the list of shareholders registered at the close of business on May 21, 2020 (the "Record Date") shall have the right to vote at the Meeting or at any adjournment thereof. Each Common Share is entitled to one vote with respect to the matters pertaining to the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares. As at May 26, 2020, 130,929,877 Common Shares were issued and outstanding. If two or more persons holding Common Shares jointly are present, in person or by proxy, at the Meeting, they shall vote as one on the Common Shares jointly held by them.

As at May 26, 2020, to the knowledge of the Corporation's management, the only person who owned directly or indirectly, or who exercised control or direction over 10% or more of the Common Shares was:

Name	Ownership (%)
Jonathan Ross Goodman	16.9% <sup>(1)</sup>

(1) Mr. Goodman directly owns 483,415 shares and indirectly owns 21,633,433 shares through Long Zone Holdings Inc., a company controlled by Mr. Goodman and 300 Common Shares owned by his children.

Information as to ownership of the Common Shares has been taken from the list of registered shareholders maintained by AST Trust Company (Canada), from a review of publicly filed documents or has been provided by or on behalf of the persons or companies.

## ELECTION OF DIRECTORS

The following are the nominees proposed by management of the Corporation for election as directors (the “**Directors**”) of the Corporation. Directors may hold office until the next Annual Meeting of shareholders of the Corporation or until their successors are elected or appointed.

**The persons named as proxies in the enclosed form of proxy intend to vote the Common Shares represented by such proxy in favour of the election to the Board of Directors (the “Board”) of the following nominees, unless the shareholder granting this proxy has indicated that his or her shares are to be voted otherwise or are not to be voted in respect of the election of Directors:**

- ✓ James C. Gale
- ✓ Jonathan Ross Goodman
- ✓ Samira Sakhia
- ✓ Robert N. Lande
- ✓ Michael J. Tremblay
- ✓ Nicolás Sujoy
- ✓ Janice Murray

On April 23, 2015, the Board adopted a majority voting policy. This means that if a Director receives more “withhold” votes than “for” votes at the annual meeting of shareholders, then the Director will tender his or her resignation to the chairman of the Board. This would be effective if accepted by the Board. The Compensation, Corporate Governance and Nominating Committee (“**CCGNC**”) will consider a Director’s offer to resign and make a recommendation to the Board as to whether to accept it. The Board will have 90 days from the annual meeting to make and publicly disclose its decision. This policy does not apply in circumstances involving contested Director elections.

Management does not anticipate that any of the proposed nominees will be unable to serve as a Director. If such becomes the case for any reason whatsoever prior to the Meeting, the persons named as proxies in the enclosed form of proxy reserve the right to vote in favour of any other nominee that management may recommend.

Pursuant to the advance notice policy of the Corporation adopted by the Board of Directors on December 5, 2018 and ratified by the shareholders on May 7, 2019, any additional director nominations for the Meeting must have been received by the Corporation in compliance with the advance notice policy no later than the close of business on May 4, 2020. As of the date of this Circular, the Corporation has not received notice of any director nominations in connection with the Meeting.

The following table sets out information regarding the nominees for election as Directors:

Name and Residence	Principal Occupation	Director Since	Committee Membership	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
James C. Gale (Chairman) New York, USA	Managing Partner, Signet Healthcare Partners	2014	Audit, CCGNC	171,053
Jonathan Ross Goodman <sup>(2)</sup> Quebec, Canada	CEO of the Corporation	2013		24,320,570
Samira Sakhia Quebec, Canada	President of the Corporation <sup>(3)</sup>	2016		534,743
Robert N. Lande New York, USA	President, FXCM Group LLC.	2014	Audit, CCGNC	165,714
Michael J. Tremblay Ontario, Canada	Corporate Director	2019		20,000
Nicolás Sujoy Buenos Aires, Argentina	Partner, Clara Capital	--		--
Janice Murray Beaconsfield, Quebec	Corporate Director	--		--

(1) Includes number of Common Shares beneficially owned and Common Shares that would be beneficially owned or controlled if all outstanding stock options were exercised, as at May 26, 2020

(2) Includes indirect ownership of 21,633,433 Common Shares by Long Zone Holdings Inc., a company controlled by Jonathan Ross Goodman and 300 Common Shares owned by his children

(3) Samira Sakhia was the Chief Financial Officer of Paladin Labs Inc. from 2001 to 2015

The following are brief biographies for each of the persons proposed by management to be nominated for election as directors:

*James C. Gale, Chairman of the Board of Directors*

Mr. Gale is the founding partner of Signet Healthcare Partners ("**Signet**"). He is currently the Chairman of the Board of Alpex Pharma S.A. and Teligent Inc., and also serves on the board of directors of Spepharm BV, Bionpharma Inc., CoreRx, Inc., RK Pharma Inc., Leon Nanodrugs GmbH, Pharmaceuticals International Inc. and Chr. Olesen Synthesis A/S. Prior to Signet, Mr. Gale worked for Gruntal & Co., LLC ("**Gruntal**") as head of principal investment activities and investment banking. Prior to joining Gruntal, he worked in Home Insurance Co., Gruntal's parent. Earlier in his career, Mr. Gale was a senior investment banker at E.F. Hutton & Co. Mr. Gale holds an M.B.A. from the University of Chicago. Mr. Gale was on the Board of Paladin Labs from 2008 to 2014.

*Jonathan Ross Goodman, Director, Chief Executive Officer*

Mr. Goodman founded Knight in February 2014. Prior to Knight, Mr. Goodman was the co-founder, President and CEO of Paladin Labs Inc. which was acquired by Endo Health Solutions Inc. ("**Endo**") for \$3.2 billion. Under his leadership, \$1.50 invested in Paladin Labs Inc. at its founding was worth \$151 nineteen years later. Prior to co-founding Paladin Labs Inc. in 1995, Mr. Goodman was a consultant with Bain & Company and also worked in brand management for Procter & Gamble. Mr. Goodman holds a B.A. with Great Distinction from McGill University and the London School of Economics with 1st Class Honours. Additionally, Mr. Goodman holds an LL.B. and an M.B.A. from McGill University.

*Samira Sakhia, Director, President*

Ms. Sakhia joined Knight as President in August 2016 and served additionally as CFO from October 2017 to March 2020. Prior to Knight, Ms. Sakhia served as the CFO at Paladin from 2001 to 2015. At Paladin, Ms. Sakhia was responsible for the finance, operations, human resources and investor relations functions. During her employment with Paladin, Ms. Sakhia was instrumental in executing in-licensing and acquisition transactions of Canadian and international pharmaceutical products and businesses. Ms. Sakhia led several M&A and strategic lending transactions as well as equity rounds on the TSX and completed the sale of Paladin to Endo International for over \$3 billion. Ms. Sakhia is a member of the board of Biotoscana Investments S.A. since November 29, 2019. Ms. Sakhia serves on the board of the Montreal Society for the Prevention of Cruelty to Animals, the International Advisory Board of McGill's Desautels Faculty of Management and is an independent Board member at the McGill University Health Center. Ms. Sakhia holds an MBA and a Bachelors of Commerce degree from McGill University.

*Robert N. Lande, Director*

Mr. Lande is the President of FXCM Group LLC, an online brokerage firm offering trading in foreign exchange, equity indices and commodities. Formerly, he was Chief Financial Officer of FXCM and prior to that was a managing partner and Chief Operating Officer of Riveredge Capital Partners LLC ("**Riveredge**"), an investment management firm. Prior to Riveredge, Mr. Lande worked for over 16 years within the BCE/Bell Canada group where his last position was Chief Financial Officer of Telecom Américas Ltd., a joint venture between Bell Canada International, AT&T (then SBC Communications) and America Movil. Mr. Lande was on the board of directors of Paladin Labs Inc. from 1995 to 2014. Mr. Lande has been a member of the board of Biotoscana Investments S.A. since November 29, 2019. Mr. Lande is a chartered financial analyst and holds an M.B.A. from the John Molson School of Business and a B.A. in Economics from McGill University.

*Michael J. Tremblay, Director*

Mr. Tremblay has over 40 years of experience in the pharmaceutical industry. In 2018, he retired from Astellas Pharma Canada, Inc. where he served as President of Canadian operations. He joined the company in June 2000 and held various positions within the organization's commercial area before being appointed to the President's position in 2010. Prior to joining Astellas, Mr. Tremblay held positions at Janssen Canada Inc., Searle Canada Inc., Baxter-Travenol Canada and Smith, Kline and French Canada. Mr. Tremblay has sat on a number of Boards including Community & Home Assistance to Seniors ("**CHATS**") and Innovative Medicines Canada ("**IMC**"), the organization representing the leading research-based pharmaceutical companies in Canada. Mr. Tremblay began serving on the Board at IMC in 2011 and was elected Chair of the Board in 2015 and held that position until November 2017. Mr. Tremblay holds a B.Sc. in Biology and Chemistry from the University of Windsor.

*Nicolás Sujoy, Director*

Mr. Sujoy has more than 20 years of private equity experience in Latin America. He is a member of Biotoscana Investments S.A.'s ("**GBT**") board of directors. He is a founding partner of the Private Equity firm Clara Capital. Formerly, Mr. Sujoy worked for Advent International where he was a director and country manager, participating in transactions in the pharma, banking and business services sectors, and serving on the Board of Directors of several companies. With Advent, where he worked for 7 years, Nicolás led or co-led investments in Nuevo Banco Comercial and Pronto in Uruguay, and in Laboratorios LKM and Fada Pharma in Argentina, among others. He also participated in the acquisition of Biotoscana Farma in Colombia, and the assembly of the regional pharmaceutical company GBT. Prior to joining Advent, he was an investment manager at HSBC Private Equity Latin America, where he participated in transactions in telecommunications and energy sectors, among others. Mr. Sujoy has been member of the board of Biotoscana Investments S.A. since May 2017. Mr. Sujoy holds a degree in economics from the Torcuato di Tella University in Argentina



*Janice Murray, Director*

Ms. Murray has a wealth of pharmaceutical experience as well as leadership in general management, strategy, finance and sales & marketing. She served as the CFO of Novartis Pharmaceuticals Canada Inc., for several years before becoming Vice-President of the Ophthalmics Business Franchise. Ms. Murray then became the CFO of the Latin America & Canada Region responsible for 10 reporting units and \$2B in sales. Before her retirement in 2019, she became President of Novartis Pharmaceuticals Canada Inc. leading multiple therapeutic areas, launching several innovative medicines and serving on the Innovative Medicines Canada Industry Board. Prior to working at Novartis, Ms. Murray held several roles at Canadian National Railways, including Vice-President Network Strategy Development, Vice-President of Sales and Market Development and Chief of Internal Audit where she lead several strategic projects during key acquisitions and privatization. She completed her CPA, CA designation while working at KPMG where she became an Audit Manager. Ms. Murray holds a Bachelor of Commerce from University of Ottawa and a Graduate Diploma in Accounting from McGill University. Ms. Murray serves on the boards of Boondoc Technologies, the VOBOC Foundation, and the West Island Palliative Care Residence Foundation. Ms. Murray holds a CPA designation from the Ordre des Comptables Professionnels Agrées du Quebec, as well as ICD.D designation from the Institute of Corporate Directors' program at the University of Toronto - Rotman School of Management.

## CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

### Cease Trade Orders

To the knowledge of the Directors and officers of the Corporation, none of the Directors is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For purpose of the foregoing, an “order” means (i) a cease trade order, (ii) an order similar to a cease trade order, or (iii) an order that denied the relevant company access to any exemption under securities legislation.

### Bankruptcies

Except as described below, to the knowledge of the Directors and officers of the Corporation, none of the Directors of the Corporation i) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or ii) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

On July 16, 2013, Paladin Labs Inc. acquired all the issued and outstanding shares of Allon Therapeutics Inc. (“Allon”) (TSX: NPC) in accordance with the Order for Reorganization in Allon’s proposal under the *Bankruptcy and Insolvency Act (Canada)* and under the Canada Business Corporations Act, and Paladin Labs Inc. became the sole shareholder of Allon. Ms. Sakhia was appointed director of Allon upon closing. Allon ceased to be a reporting issuer subsequent to closing and its shares were delisted from the TSX.

Prior to his current position as President of FXCM Group LLC, Mr. Lande served as Chief Financial Officer of Global Brokerage Inc. (“GLBR”), a shareholder of FXCM Group. On December 11, 2017, GLBR filed a Prepackaged Chapter 11 Plan of Reorganization (the “Plan”) pursuant to the terms of a Restructuring Support Agreement (“RSA”) signed with approximately 70% by value of the bondholders of a GLBR bond that was maturing in 2018. The overall purpose of the Plan was to enable GLBR to extend the maturity of the bond for five additional years. The Plan was confirmed on January 22, 2018 and GLBR emerged from bankruptcy on February 8, 2018. The overall purpose of the Plan was successful, and the new secured notes have been distributed in accordance with the Plan.

Mr. Gale served as a board member of Sancilio & Company Inc. (“Sancilio”) since 2017 pursuant to a stockholder’s agreement between Signet Healthcare Partners and other shareholders of Sancilio. On June 5, 2018, Sancilio and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

### Penalties or Sanctions

None of the Directors or executive officers of the Corporation was subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## COMPENSATION DISCUSSION AND ANALYSIS

### Objective of the Compensation Program

The Corporation is committed to a compensation program that drives business performance, is competitive and seeks to align the interests of executives with the interests of the Corporation's shareholders. Knight's approach to compensation, including Named Executive Officer<sup>1</sup> ("NEO", or collectively "NEOs") compensation, follows three guiding principles:

1. Compensation aligns with shareholder interests
  - Long-term incentives vest and pay out over time, encouraging long term shareholder value creation
  - Accordingly, NEO compensation is heavily weighted toward the issuance of stock options
2. Compensation enables Knight to attract, engage and retain talent
  - Talented and motivated employees are essential to building Knight's business
  - Aim to be competitive within the pharmaceutical industry
3. Compensation rewards performance
  - Designed to reward employees for high performance toward achieving corporate objectives

Most of the disclosure in this document in respect of compensation is for periods ending in 2019 or earlier and is based on our historic results. Accordingly, this disclosure does not take into account the volatility created by the COVID-19 pandemic. In addition, due to the transformational acquisition of GBT, executive compensation and benchmarks for 2020 are under reconsideration. The impact of COVID-19 and the restructured 2020 compensation will be described in next year's management information circular, which for variable/at-risk pay will be more reflective of the current environment.

### Benchmarking

To ensure that the Corporation's compensation policy is competitive, Knight annually reviews the compensation program and pay levels of other publicly traded pharmaceutical companies. For 2019, the group of companies used for benchmarking compensation, referred to herein as the "Comparator Group" was selected by senior management to include companies that met all the following criteria at the time of evaluation:

1. TSX listed (single-listed);
2. Sector: Pharmaceuticals or Biotechnology; and
3. Market Cap above \$50M (as at December 31, 2018).

Furthermore, in respect of the 2019 fiscal year, Knight believes that companies that met the above criteria are:

1. Direct or indirect business competitors as they operate within the pharmaceutical or life sciences industries; and
2. Primary competitors of talent as Knight and the Comparator Group compete from the same pool of human resources.

The Comparator Group was approved by the CCGNC as an appropriate means of benchmarking executive compensation for the 2019 financial year.

The Comparator Group for the 2019 financial year was as follows:

---

<sup>1</sup> Refers to the CEO, the CFO and in addition, the three most highly compensated executive officers or individuals acting in a similar capacity

<b>2019 Comparator Group</b>
Liminal BioSciences Inc. (formerly Prometic Life Sciences Inc.)
Theratechnologies Inc.
Resverlogix Corp.
IMV Inc. (formerly Immunovaccine Inc.)
Cipher Pharmaceuticals Inc.
Oncolytics Biotech Inc.
Helix BioPharma Corp.
Acerus Pharmaceuticals Corporation

## **Components of 2019 Compensation**

The compensation of NEOs consists primarily of three components: base salary, annual bonus, and participation in the Corporation’s stock option plan. In addition, NEOs may participate in the Corporation’s employee stock purchase plan and Registered Retirement Savings Plan (“RRSP”) matching program on the same terms and conditions as other employees. Knight regularly reviews these components to ensure they align with the three above-mentioned guiding principles and market practices.

### **Rationale for each Component and Determination of Amounts**

The compensation policies and guidelines for the NEOs are recommended by the CEO, approved by the CCGNC and in the case of the Corporation’s Executive Officers<sup>2</sup>, approved by the Board. The CCGNC oversees and reviews the individual components as well as the overall compensation of the Corporation’s Executive Officers on an annual basis. The CCGNC for the fiscal year ended 2019 was composed of the following independent Directors; Robert N. Lande, Michael Tremblay, Kevin Cameron and Sylvie Tandler (Chairperson). All members of the CCGNC have extensive executive management experience in the pharmaceutical industry that is relevant to their roles and that enables the CCGNC to adequately make decisions on the suitability of the Corporation’s compensation policies and practices. Following a review of the CCGNC’s recommendations, the Board approves the compensation of each Executive Officer on an annual basis.

### **Base Salary**

The objective of the base salary component of NEO compensation is to attract and retain highly qualified executives necessary for the Corporation’s long-term success. Base salary levels for NEO’s are established based on several factors including experience, responsibility relative to other positions in the Corporation, performance of the Corporation and competitive market conditions. Knight reviews base salaries annually and generally grants an increase when an executive assumes increased responsibilities or significantly deepens knowledge and expertise. Furthermore, an adjustment to the base salary may be made for cost of living increases or when there is a material change in the compensation levels for comparable roles in the Comparator Group.

---

<sup>2</sup> Executive Officers refers to Knight Therapeutics Inc.’s CEO, President and CFO, Vice-President, Business Development, and Vice-President Finance

**Short Term Incentive: Annual Bonus**

The Corporation’s NEOs are entitled to be considered for an annual cash bonus with the following key features:

<b>Objective</b>	<ul style="list-style-type: none"> <li>• <b>Reward NEOs for Knight’s achievements and overall corporate performance</b></li> </ul>
<b>Form of award</b>	<ul style="list-style-type: none"> <li>• Cash payment</li> </ul>
<b>Performance Period</b>	<ul style="list-style-type: none"> <li>• 12 months</li> </ul>
<b>Grant/Award determination</b>	<ul style="list-style-type: none"> <li>• Target bonus percentage for NEOs ranges from 25% to 37.5% of base salary</li> <li>• CCGNC reviews total compensation including annual bonuses awarded by the Comparator Group in setting target bonus percentage</li> <li>• Actual bonus payout percentage for Executive Officers is approved by the CCGNC and Board in the first quarter of each fiscal year upon approval of annual audited financial statements</li> </ul>
<b>Performance measures</b>	<ul style="list-style-type: none"> <li>• Overall performance of Knight, considering factors such as revenue growth, profitability, advancement of product pipeline and strategic investments</li> <li>• For the NEOs excluding Executive Officers, departmental and personal achievements are considered in addition to overall corporate performance</li> </ul>
<b>Vesting</b>	<ul style="list-style-type: none"> <li>• Paid following the end of the fiscal year upon approval of annual audited financial statements</li> <li>• Final payout is discretionary based on overall performance of Knight assessed by CCGNC</li> </ul>

At the end of a fiscal year the final payout of the annual bonus is approved by the CCGNC and Board based on a review of corporate performance achieved during the year. For fiscal year 2019, the annual bonus to the Executive Officers was in the range of 235% or 300% of the target based on the achievement of corporate objectives.

**Long Term Incentive: Stock Options**

The Corporation has a stock option plan (the “**Option Plan**”) approved by the CCGNC and the Board based on the recommendations of the CEO and President and CFO. Stock options under the Option Plan are generally granted to NEOs and other employees, at the discretion of the Board, upon initial employment and annually to sustain a commitment to long-term profitability and shareholder value creation.

The key features of the long-term incentive compensation program for the 2019 financial year were as follows:

<b>Objectives</b>	<ul style="list-style-type: none"> <li>• <b>Reward NEOs for their contribution to long term performance and potential for future contribution</b></li> <li>• <b>Align management and shareholder interests with long term view of increasing shareholder value</b></li> </ul>
<b>Form of award</b>	<ul style="list-style-type: none"> <li>• Stock options with a 7-year term</li> </ul>
<b>Grant/Award determination</b>	<ul style="list-style-type: none"> <li>• Total value of option-based compensation determined based on a benchmarking process relative to the Comparator Group</li> <li>• The number of options granted is variable and depends on the Black-Scholes value per option prior to the grant</li> </ul>
<b>Vesting</b>	<ul style="list-style-type: none"> <li>• Vest evenly over four years</li> <li>• No performance vesting conditions</li> </ul>
<b>Exercise Price</b>	<ul style="list-style-type: none"> <li>• Exercise price equal to the closing price of the Common Shares on TSX on the later of:               <ul style="list-style-type: none"> <li>○ Last trading day preceding the day on which the option grant was approved by the Board</li> </ul> </li> <li>• End of the blackout period if the option grant was made during a blackout period</li> </ul>

## ESPP and RRSP Matching

Permanent employees of the Corporation are eligible to participate in the ESPP and RRSP matching program as part of Knight's compensation program. Rights under the ESPP are granted in accordance with the ESPP described below under the Section "Employee Share Purchase Plan". In addition, Knight matches up to 4% of employees' contributions to their RRSPs conditional on the employees' continued employment with the Corporation for a period of two years following the contribution date.

## CEO Compensation 2019

---

A critical function of the CCGNC is to monitor and assess the CEO's performance and to recommend his compensation to the Board for approval. The Board supports the principle that CEO compensation should be directly related to the overall current performance of the Corporation and its potential for continued future growth. As such, in determining recommendations for CEO's total compensation, the CCGNC considers the absolute and relative performance of the Corporation as well as the CEO's total compensation relative to that of equivalent roles within the Comparator Group. The CCGNC reviews this information along with the performance of the CEO individually when recommending the CEO's salary and annual incentives for a given year.

The following are the key characteristics of the CEO's compensation program for the 2019 financial year:

### Base salary

---

- Annual base salary of \$306,000 increased to \$315,000 effective March 4, 2019
- Salary below the median of Comparator Group CEOs

### Short Term Incentive: Annual Bonus

---

- Target bonus equal to 37.5% of base salary
- For fiscal year 2019, a bonus multiplier of 235 % was applied to CEO's target bonus

### Long-Term Incentive: Stock Options

---

- 161,252 options at an exercise price of \$7.67 valued at \$510,275 using Black-Scholes model granted on March 19, 2019
- Options granted represent 0.1% of Common Shares outstanding on a non-diluted basis as at May 26, 2020
- Value of stock options granted to the CEO was determined by benchmarking relative to the Comparator Group
- As at May 26, 2020, a total of 2,203,422 stock options are held by the CEO, representing 1.7% of the aggregate number of Common Shares outstanding on a non-diluted basis

### ESPP

---

- Knight issued 5,083 Common Shares to the CEO in 2019 under the ESPP, including 983 Common Shares contributed by the Corporation

## NEOs 2019 Compensation (excluding CEO)

---

The following are the key characteristics of the NEOs (excluding CEO) compensation program for the 2019 financial year:

### Base salary

---

- Annual salary in the range of \$165,000 - \$295,000
- Salary for Executive Officers (excluding CEO) fell below the median of the Comparator Group's base salary levels for comparable positions

### Short Term Incentive: Annual Bonus

---

- Target bonus percentage ranged from 25% to 35% of base salary
- Target bonus percentage generally below the median of the Comparator Group's short-term incentive practices
- Board approved an annual bonus percentage for Executive Officers at 300 % of the target bonus percentage

### Long-Term Incentive: Stock Options

---

- Aggregate of 290,560 stock options (valued at \$917,438 using Black-Scholes model) were issued to NEOs (excluding CEO) representing 0.2% of the number of Common Shares outstanding on a non-diluted basis as at May 26, 2020
- Value of stock options was determined by benchmarking relative to the Comparator Group
- The NEO's (excluding CEO) held a total of 1,345,871 options representing 1.0% of the aggregate number of Common Shares outstanding on a non-diluted basis as at May 26, 2020

### ESPP

---

- Aggregate of 13,507 common Shares issued under the ESPP in 2019 to NEOs (excluding CEO), including 2,474 common Shares contributed by the Corporation

## Termination

In the event of (i) involuntary or constructive termination, (ii) a change in a NEO's responsibilities, arrangements, if any or (iii) a change of control, severance or other payments will be determined in accordance with industry practices and applicable law.

## Summary Compensation Table for Named Executive Officers

Compensation earned in respect of the 2017 to 2019 financial years by the NEOs is summarized in the table below:

Name and principal position	Year	Salary (\$)	Share-based Awards (\$) <sup>(1)</sup>	Option-based Awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation		Pension Value (\$)	All Other Comp (\$) <sup>(4)</sup>	Total (\$)
					Annual Incentive Plans (\$) <sup>(3)</sup>	Long-term Incentive Plans (\$)			
Jonathan Ross Goodman CEO	2019	309,842	7,516	510,275	277,594	-	-	20,517	1,125,744
	2018	304,948	5,206	500,000	171,533	-	-	13,005	994,692
	2017	300,000	1,230	630,000	-	-	-	13,115	944,345
Samira Sakhia <sup>(5)</sup> President & CFO	2019	286,985	6,575	364,350	309,750	-	-	19,479	987,140
	2018	266,829	-	389,000	120,073	-	-	10,662	786,564
	2017	262,500	-	164,672	-	-	-	10,500	437,672
Amal Khouri VP, Business Development	2019	256,711	5,727	226,550	238,500	-	-	22,018	749,506
	2018	233,285	3,899	278,000	87,482	-	-	12,147	614,813
	2017	228,721	3,799	350,000	-	-	-	9,149	591,669
Jody Engel Senior Director, Business Development	2019	161,319	3,732	93,000	49,365	-	-	7,903	315,319
	2018	153,711	3,681	92,667	38,428	-	-	7,231	295,718
	2017	150,000	3,276	105,000	19,500	-	-	5,975	283,751
Arvind Utchanah <sup>(6)</sup> VP Finance	2019	168,577	2,886	233,538	171,000	-	-	14,743	590,744
	2018	137,370	-	92,667	32,282	-	-	5,461	267,780
	2017	123,846	-	55,951	19,858	-	-	4,954	204,609

- The share-based awards relate to the Corporate Contribution Amount received by NEOs under the ESPP. Refer to description of ESPP below under the heading "Employee Share Purchase Plan" for further details.
- The option-based awards granted to NEOs in respect of the 2019 financial year vest at a rate of one-quarter per year. The fair value of the option-based awards granted in respect of the 2019 financial year was determined using the Black-Scholes model, an established option pricing methodology, using the assumption in the table below. There is no difference between the grant date fair values included above and accounting fair values for purposes of stock-based compensation.

Grant Date	Mar. 19, 2019	Aug. 13, 2019 <sup>7</sup>
Exercise Price	\$7.67	\$7.75
Risk free interest rate	1.88%	1.20%
Dividend yield	Nil	Nil
Volatility factor	40%	40%
Average expected life	6.04 Years	6.04 Years
<b>Fair value (rounded)</b>	<b>\$3.16</b>	<b>\$3.10</b>

- The non-equity annual incentive plan compensation consists entirely of annual bonuses.
- All other compensation in respect of the 2019 financial year consists of Knight's contribution under the RRSP matching program, taxable benefits from interest on employees' loan and car allowance
- Ms. Sakhia was appointed President of the Corporation in August 2016 and served additionally as CFO from October 2017 to March 2020. The value of the option-based award granted to Ms. Sakhia in 2017 was \$490,000 pro-rated based on her months of employment in the 2016 financial year.
- Mr. Utchanah was appointed Director of Finance in June 2016 and was promoted to VP Finance in August 2019 and to CFO in March 2020.
- Mr. Utchanah was granted option on August 13, 2019 in relation to his promotion to VP Finance



## Outstanding Option-based Awards and Share-based Awards

The following table indicates for each NEO all awards outstanding at the end of the 2019 financial year:

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#) <sup>(2)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jonathan Ross Goodman	1,186,470 <sup>(3)</sup>	5.65	Jun. 2, 2021	2,289,887	2,032	15,403	-
	290,000 <sup>(3)</sup>	8.75	Mar. 24, 2022	-			
	250,000	7.76	Mar. 16, 2023	-			
	182,482	10.00	Mar. 20, 2025	-			
	161,252	7.67	Mar. 19, 2026	-			
	133,218	10.10	Mar. 21, 2027	-			
Samira Sakhia	117,498	7.73	Mar. 20, 2025	-	1,825	13,834	-
	115,138	7.67	Mar. 19, 2026	-			
	225,000	9.60	Sep. 21, 2026	-			
	34,821	10.10	Mar. 21, 2027	-			
Amal Khouri	85,000	5.20	Aug. 25, 2021	202,300	1,612	12,219	-
	135,000	8.75	Mar. 24, 2022	-			
	125,000	7.76	Mar. 16, 2023	-			
	83,970	7.73	Mar. 20, 2025	-			
	71,592	7.67	Mar. 19, 2026	-			
	74,010	10.10	Mar. 21, 2027	-			
Jody Engel	20,000	6.00	Sep. 10, 2021	31,600	1,038	7,868	-
	15,000	8.75	Mar. 24, 2022	-			
	25,000	7.76	Mar. 16, 2023	-			
	27,990	7.73	Mar. 20, 2025	-			
	29,388	7.67	Mar. 19, 2026	-			
	22,203	10.10	Mar. 21, 2027	-			
Arvind Utchanah	25,000	8.28	Aug. 16, 2023	-	890	6,746	-
	27,990	7.73	Mar. 20, 2025	-			
	29,388	7.67	Mar. 19, 2026	-			
	45,054	7.75	Aug. 13, 2026	-			
	11,829	10.10	Mar. 21, 2027	-			

- (1) The value of the unexercised in-the-money options at financial year-end (some of which have not yet vested) is the difference between the closing price of the Common Shares on December 31, 2019 on TSX (\$7.58) and the exercise prices. This value has not been and may never be realized by the NEOs. The actual gains, if any, on exercise will depend on the value of the Common Shares on the date of the option exercise. See the "Stock Option Plan" section below for further information.
- (2) The amount included for each of the NEOs relates to the Corporate Contribution Amount under the ESPP assuming the NEO remains employed by the Corporation and holds the original shares for two years from the date originally purchased. The Corporate Contribution Amount is calculated based on the closing price on TSX on December 31, 2019 (\$7.58). See "Employee Share Purchase Plan" section for further details.
- (3) Includes 20,000 stock options earned by Mr. Goodman in his capacity as Director of the Corporation

## Incentive-plan Awards – Value Vested or Earned during the Year

The following table indicates for each NEO the value on vesting of all incentive-plan awards and the value earned during the 2019 financial year:

Name	Option-based awards Value vested during the year (\$) <sup>(1)</sup>	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$) <sup>(2)</sup>
Jonathan Ross Goodman	20,833	7,516	277,594
Samira Sakhia	2,644	6,575	309,750
Amal Khouri	12,306	5,727	238,500
Jody Engel	2,713	3,732	49,365
Arvind Utchanah	630	2,886	171,000

<sup>(1)</sup> The value vested during the year with respect to option-based awards for each NEO equals the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.

<sup>(2)</sup> The amount of non-equity incentive plan compensation is the amount of annual bonus earned by NEOs during the year and is consistent with the amount under the non-equity incentive plan compensation column of the Summary Compensation Table for NEOs.

## **SOCIAL RESPONSIBILITY**

Knight's management team endeavours to foster an environment of responsibility to the community. Since its founding, employees and management of Knight have participated in the Quebec Ride to Conquer Cancer® benefiting the Segal Cancer Centre at the Jewish General Hospital in Montreal. In addition, Knight has participated annually in the Defi Canderel to benefit McGill University's Goodman Cancer Research Institute and the Université de Montréal's Institut de Cancer de Montréal. In addition, the Corporation had 100% participation rate in the annual Centraide (United Way) campaign. As a pharmaceutical company, Knight's aim is to ensure that patients have access to its drugs, and in certain cases, Knight provides its products through a compassionate care program aimed at low income families or patients who do not have either government or adequate private coverage.

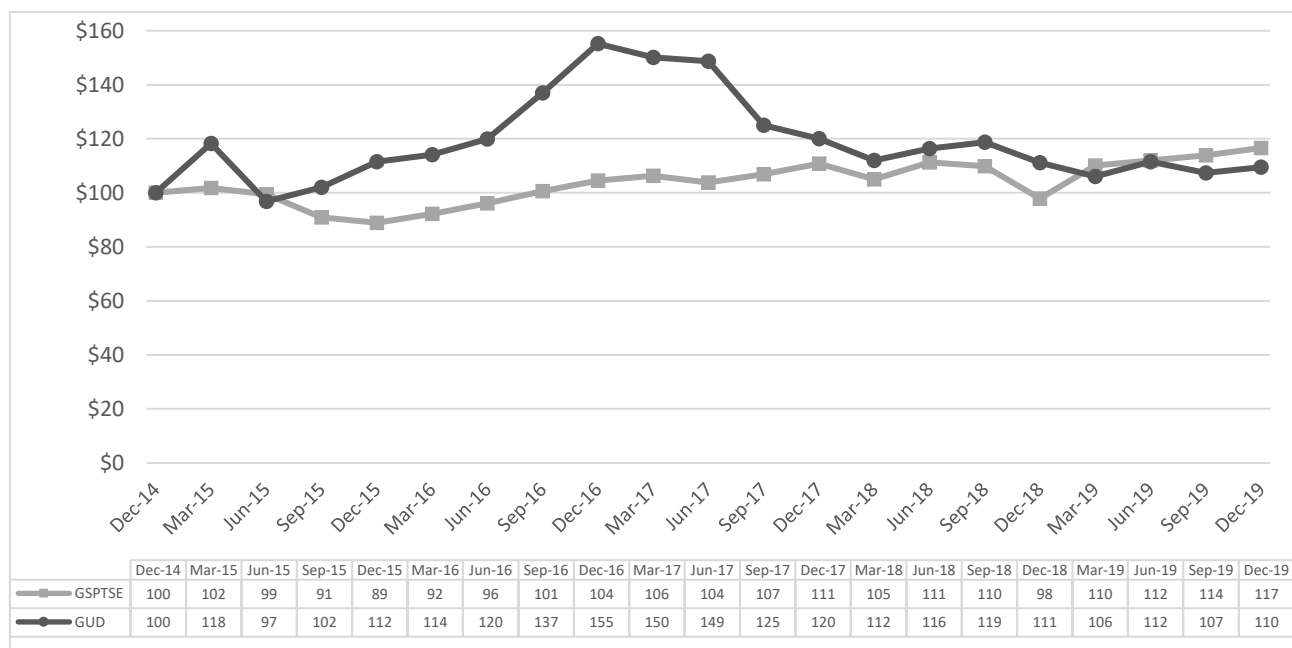
As a result of COVID-19, the Corporation and its employees in Canada and Latin America have transitioned to working remotely, including our field sales and medical teams. The Corporation has taken steps to establish digital and virtual channels to ensure that physicians and patients continue to receive continued support. In addition, Knight has taken steps to support hospitals, clinics, and health care professionals, in Canada and Latin America, with donations of funds and materials including sterile swabs, masks, goggles and other items. Further, the Corporation has expanded its compassionate care and patient support programs to ensure patients to continue to not only receive their therapies but also to receive their therapies safely. For example, Knight is providing compassionate support program for PROBUPHINE® to qualified patients in provinces where the product has yet to be reimbursed by provincial governments. Within the current environment of COVID-19, and the social distancing measures in place across Canada, PROBUPHINE is the ideal solution to mitigate the risks to vulnerable patients by ensuring that they are receiving the necessary treatment and allowing them to limit their visits to clinics and pharmacies. PROBUPHINE, indicated for the treatment of opioid use disorder, is the only subdermal implant designed to deliver buprenorphine continuously for 6 months following a single treatment. This allows patients on 2mg, 4mg, 6mg or 8mg of buprenorphine to minimize daily or weekly visits to their pharmacy or clinic for buprenorphine and ensure 6 months of continuous, uninterrupted treatment.

## **ENVIRONMENTAL MATTERS**

The pharmaceutical market is heavily regulated in each of the territories in which the Corporation operates, including manufacturing, use and disposal of materials used in the production and final product. Through its Latin American subsidiary, Knight operates four (4) manufacturing facilities and a research and development facility and certain of these facilities also operate laboratories in Argentina as well as a laboratory in Brazil. The facilities in Argentina and Brazil are subject to a variety of environmental, health, and safety laws and regulations at the federal, state or provincial, and municipal levels. These laws and regulations govern, among other things, air emissions, wastewater discharges, the use, handling, and disposal of hazardous substances and wastes, soil and groundwater contamination, and employee health and safety. The Corporation's manufacturing facilities use, in varying degrees, hazardous substances in their processes. In the event of the discovery of previously unknown contamination at these facilities, Knight may be required to take additional, unplanned remedial measures and potentially fines, closures or suspension.

## PERFORMANCE GRAPH

The performance graph below compares the cumulative total shareholder return for \$100 invested in the Common Shares of the Corporation on December 31, 2014 up to December 31, 2019, with the S&P/TSX Composite Index.



The graph shows that the total shareholder return for the prescribed period has grown by 10%, while the S&P/TSX index has grown by 17% for the same period. Given the early stage of the Corporation's development, the trend on the Corporation's compensation to the NEOs is not correlated with the trend in the performance graph.

The compensation of NEOs has been focused on corporate development over the last five years. With the transformative acquisition of GBT, the NEO compensation is under development and will include performance measures that expand our compensation criteria beyond corporate development.

As described in the previous section "Compensation Discussion and Analysis", the compensation for the NEOs consists of several components. Correlation between the performance graph and NEO compensation can be understood as follows:

- **Base salary** must be designed to attract and retain quality employees as well as to compensate them for services (based on NEOs roles & responsibilities) rendered during the year. Accordingly, the market price of Knight's common shares and total shareholder return over a limited period of time are not driving determinants of base salary.
- **Short Term Incentive Annual Bonus.** As described in the Performance Measures above, factors other than total shareholder return are used to determine short term bonuses for NEOs.
- **Long Term Incentive Stock Options** are awarded, and vest as previously described. The share price of the Corporation at the time of the award influences the number of stock options granted (based on Black-Scholes value) as well as its exercise price. Once a stock option vests, the value of a stock option that a NEO may realize fluctuates based on the Corporation's share price, thereby aligning the interests of NEO's with those of the Corporation's shareholders. Refer to previous sections "Outstanding Option-based Awards and Share-based Awards" and "Incentive-plan Awards – Value Vested or Earned during the Year".

The market price of the common shares of the Corporation is subject to fluctuation based on several factors, many of which are outside the control of the Corporation. These include market perception of the Corporation's ability to achieve business goals, trading volume in the common shares, changes in macroeconomic conditions and the financial markets or other general developments in the specialty pharmaceutical industry that affect the Corporation. Accordingly, the Corporation's share price and total shareholder return over the measurement period may not be reflective of the Corporation's financial performance or management's efforts in enhancing shareholder value. Accordingly, for the past five financial years ended December 31, 2019, the total compensation of the NEOs is not directly correlated with the trend shown in the above graph.

## BOARD OF DIRECTORS

The CCGNC ensures that Knight's Board is comprised of members with the relevant skill set and experience to provide effective guidance and oversight on management. On an annual basis, Knight's management recommends the compensation of the Directors to the CCGNC which upon agreement will obtain final approval from the Board. A key feature of the compensation of Directors includes the issuance of stock options which effectively align the interests of the Directors with those of Knight's shareholders.

## COMPENSATION OF DIRECTORS

During the 2019 financial year, non-independent directors did not receive any form of compensation for being members of the Board. The compensation of independent Directors during the 2019 financial year was as follows:

### Cash Compensation

---

- \$12,000 per independent Director (\$16,800 for Board chair)
- \$3,750 per member of Audit Committee (\$4,500 for committee chair)
- \$2,250 per member of CCGNC (\$2,700 for committee chair)
- Total cash compensation of \$88,848 was earned by independent Directors
- The average fees earned by the independent directors is below the median of the Comparator Group's director cash compensation

### Long-Term Incentive: Stock Options

---

- Compensation of 20,000 options granted on May 14, 2019 for all Directors
- Compensation subject to an annual Black-Scholes value cap of \$100,000
- The average option-based compensation granted to the independent directors was above the median of the Comparator Group's director option-based compensation

### ESPP

---

- For non-executive Directors<sup>3</sup>, the yearly participation amount is a maximum of \$10,000
- Granted in accordance with the ESPP described below under the Section "Employee Share Purchase Plan"

### Other

---

- Directors are reimbursed for travel expenses in relation to Board meetings
- Knight does not have a retirement plan for Directors
- No other arrangements under which Directors were compensated in their capacity as Directors by the Corporation

---

<sup>3</sup> Includes all Directors except Mr. Goodman and Ms. Sakhia

## Summary Compensation Table for Independent Directors

The following table provides details of the compensation earned by the independent Directors of the Corporation during the 2019 financial year:

Name	Fees earned (\$)	Share-based Awards (\$) <sup>(1)</sup>	Option-based Awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All Other Compensation (\$)	Total (\$)
James C. Gale	20,138	-	75,203	-	-	-	95,341
Robert N. Lande <sup>(3)</sup>	30,945	2,512	60,162	-	-	-	93,619
Sylvie Tendler	14,806	-	60,162	-	-	-	74,968
Nancy Harrison	13,726	-	60,162	-	-	-	73,888
Michael J. Tremblay	9,233	-	60,162	-	-	-	69,395
Kevin Cameron	9,233	-	60,162	-	-	-	69,395

(1) Relates to the Corporate Contribution Amount received by the Director under the ESPP. For further details refer to description of ESPP below under the heading "Employee Share Purchase Plan".

(2) The option-based awards granted to Independent Directors in respect of the 2019 financial year vest 50% upon grant and 50% on the anniversary date of the grant. The fair value of the option-based awards granted in respect of the 2019 financial year was determined using the Black-Scholes model, an established option pricing methodology, using the assumption in the table below. There is no difference between the grant date fair values included above and accounting fair values for purposes of stock-based compensation.

<b>Grant Date:</b>	<b>May 14, 2019</b>
Risk free interest rate	1.59%
Dividend yield	Nil
Volatility factor	40%
Average expected life	6.04 Years
<b>Fair value (rounded)</b>	<b>\$3.01</b>

(3) Includes US\$10,000 earned in Mr. Lande's capacity as a Director of one of the Corporation's wholly-owned subsidiaries. In the table above, these fees were converted to Canadian dollars at the 2019 average exchange rate.

## Outstanding Option-based Awards and Share-based Awards

The following table indicates for each independent Director all awards outstanding at the end of the 2019 financial year:

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#) <sup>(2)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
James C. Gale	20,000	5.65	Jun. 2, 2021	38,600	-	-	-
	20,000	8.75	Mar. 24, 2022	-	-	-	-
	20,000	7.76	Mar. 16, 2023	-	-	-	-
	20,000	8.05	May 15, 2025	-	-	-	-
	25,000	7.39	May 14, 2026	4,750	-	-	-
	20,000	10.25	May 16, 2027	-	-	-	-
Robert N. Lande	20,000	5.65	Jun. 2, 2021	38,600	655	5,166	-
	20,000	8.75	Mar. 24, 2022	-	-	-	-
	20,000	7.76	Mar. 16, 2023	-	-	-	-
	20,000	8.05	May 15, 2025	-	-	-	-
	20,000	7.39	May 14, 2026	3,800	-	-	-
	20,000	10.25	May 16, 2027	-	-	-	-
Sylvie Tendler	20,000	5.76	Sep. 5, 2021	36,400	-	-	-
	20,000	8.75	Mar. 24, 2022	-	-	-	-
	20,000	7.76	Mar. 16, 2023	-	-	-	-
	20,000	8.05	May 15, 2025	-	-	-	-
	20,000	7.39	May 14, 2026	3,800	-	-	-
	20,000	10.25	May 16, 2027	-	-	-	-
Nancy Harrison	15,000	8.26	Aug. 14, 2025	-	-	-	-
	20,000	7.39	May 14, 2026	3,800	-	-	-
Michael J. Tremblay	20,000	7.39	May 14, 2026	3,800	-	-	-
Kevin Cameron	20,000	7.39	May 14, 2026	3,800	-	-	-

(1) The value of the unexercised in-the-money options at financial year-end (some of which have not yet vested) is the difference between the closing price of the Common Shares on December 31, 2019 on TSX (\$7.58) and the exercise prices. This value has not been, and may never be realized by the Directors. The actual gains, if any, on exercise will depend on the value of the Common Shares on the date of the option exercise. See the “Stock Option Plan” section below for further information.

(2) The amount included relates to the Corporate Contribution Amount under the ESPP assuming that Mr. Lande remains employed by the Corporation and holds the original shares for two years from the date originally purchased. The Corporate Contribution Amount is calculated based on the closing price on TSX on December 31, 2018 (\$7.58). See “Employee Share Purchase Plan” section for further details.

## Incentive-plan Awards – Value Vested or Earned during the Year

The following table indicates for each independent Director the value on vesting of all incentive-plan awards and the value earned during the 2019 financial year:

Name	Option-based awards Value vested during the year (\$) <sup>(1)</sup>	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
James C. Gale	250	-	-
Robert N. Lande	200	2,512	-
Sylvie Tendler	200	-	-
Nancy Harrison	200	-	-
Michael J. Tremblay	200	-	-
Kevin Cameron	200	-	-

(1) The value vested during the year with respect to option-based awards for each Independent Director equals the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.

Due to the transformational acquisition of GBT, Board compensation and benchmarks for 2020 are under reconsideration. The restructured 2020 compensation will be described in next year's management information circular, which for variable/at-risk pay will be more reflective of the current structure of the Corporation.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Option Plan

On March 21, 2017, the Board adopted a stock option plan (the “**Option Plan**”) for directors, employees and consultants which was subsequently approved by shareholders at the May 9, 2017 Meeting. Pursuant to the Option Plan the Corporation may grant options (“**Options**”) for the purchase of common shares to any employee, director or consultant of the Corporation or any of its affiliates (each, an “**Optionee**”). The purpose of the Option Plan is to attract, retain and reward individuals who are expected to contribute significantly to the success of the Corporation and its affiliates, to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and the Corporation and, in general, to further the best interests of the Corporation and its shareholders. The number of common shares available for issuance under the Option Plan shall not exceed 10% of the common shares issued and outstanding from time to time, subject to the “evergreen” features of the Option Plan described below and the ability of the Board to make appropriate adjustments under the anti-dilution provisions of the Option Plan. The maximum number of common shares issuable to insiders at any time under the Option Plan and all other security based compensation arrangements of the Corporation is 10% of the Corporation's total issued and outstanding common shares, and the number of common shares issued to insiders within any one-year period under the Option Plan and all other security based compensation arrangements of the Corporation may not exceed 10% of the issued and outstanding common shares of the Corporation. Moreover, the annual grant value of Options to any one Director that is not an employee of the Corporation may not be in excess of \$100,000. As at May 26, 2020, the total number of options presently available for grant under the Option Plan is 8,344,996 .

Any common shares that are subject to an Option or an option granted under any other security-based compensation arrangement of the Corporation that has been exercised, expired, cancelled, forfeited or are otherwise terminated, will again become available for grant under the Option Plan. As a result of the features described above in this paragraph, the Option Plan is considered to be an “evergreen” plan.



To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the “Committee”) of the Board all or any of the powers conferred on the Board under the Option Plan. The exercise price of the Options is fixed by the Board at the grant date and may not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of the grant. The exercise price of the Options is stated and payable in Canadian dollars. Options vest at the discretion of the Committee. In the event that no specific determination is made by the Committee with respect to the vesting of any particular Options, all Options shall vest in equal tranches of 25% per annum on each anniversary of grant. Options granted under the Option Plan may have a term of up to 10 years (subject to an extension of the scheduled expiry date in the event the option would otherwise expire during a blackout period), such extension not to exceed ten business days following the expiration of such blackout period).

Options granted under the Option Plan are not transferable or assignable, other than in the case of death as set out in the Option Plan. The Option Plan allows for the cashless exercise of Options at the sole discretion of the Committee and in such manner and subject to such terms and conditions as the Committee may deem appropriate.

Unless otherwise permitted by the Board, any Options granted under the Option Plan shall terminate and shall cease to be exercisable in the following circumstances: (a) in the case of an Optionee who is an officer, employee, or consultant of the Corporation or of an affiliate of the Corporation that is terminated for “Serious Reason”, all Options granted to such Optionee, whether vested or unvested, shall immediately terminate and cease to be exercisable on the effective date of such Optionee’s Termination. “Serious Reason” means any act or failure to act by the Optionee constituting a “serious reason” under Article 2094 of the Quebec Civil Code; (b) in the case of an Optionee who is an officer, employee, or consultant of the Corporation or of an affiliate of the Corporation that is terminated for “Cause”, such Optionee may exercise any Option, to the extent that such Option was exercisable and had vested on the date of termination, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is 30 days after the effective date of such Optionee’s termination. “Cause” means a determination by senior management in respect an Optionee, or by the Board in respect of an Optionee that is part of senior management, as the case may be, to terminate an Optionee due to such Optionee’s underperformance but which does not constitute Serious Reason as defined above; (c) in the case of an Optionee who is an officer, employee, or consultant of the Corporation or of an affiliate of the Corporation that is terminated for any reason other than Serious Reason, Cause, retirement or death, such Optionee may exercise any Option granted under the Option Plan, to the extent that such Option was exercisable and had vested (i) on the date of termination or (ii) would have vested within 90 days after the date of such termination, until the date that is the earlier of (1) the expiry date of the Option and (2) the date that is 30 days after the effective date of such Optionee’s termination; (d) in the case of an Optionee who is a Director of the Corporation or of an affiliate of the Corporation, such Optionee, is removed or is not re-elected as a Director of the Corporation or of an affiliate of the Corporation, all Options granted to such Optionee, whether vested or unvested, shall immediately terminate and cease to be exercisable on the effective date of such Optionee’s removal or failure to be re-elected; (e) the case of an Optionee who is a Director of the Corporation or of an affiliate of the Corporation, such Optionee resigns as a Director of the Corporation or of an affiliate of the Corporation, in which case such Optionee may exercise any Option, to the extent that such Option was exercisable and had vested on the date of resignation, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is 30 days after the effective date of such Optionee’s resignation; (f) in the case of an Optionee who is an officer, employee or consultant of the Corporation or of an affiliate of the Corporation and such Optionee retires, such Optionee may exercise any Option, to the extent that such Option was exercisable and had vested on the date of retirement, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is 30 days after the effective date of such Optionee’s retirement; or (g) in the case of an Optionee that dies, such Optionee’s legal personal representatives, heirs, executors or administrators may exercise any Option, to the extent that such Option was exercisable and had vested on the date of death, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is six months after the date of death.

In the event of a “change of control” of the Corporation, the Board may, in its discretion, permit and authorize the accelerated vesting and early exercise of all or any portion of the then outstanding Options in connection with the completion of such change of control. Subject to the foregoing, all rights of the Optionees to exercise any outstanding Options, whether vested or unvested, shall terminate and all such Options shall immediately expire and cease to have any further force or effect, upon and subject to the completion of the relevant change of control. “Change of Control” means any amalgamation, merger or consolidation with any other corporation (otherwise than pursuant to an internal

corporate reorganization that would not affect control of the Corporation) or liquidation, dissolution or winding-up, or any sale or conveyance of all or substantially all of the property or assets of the Corporation or any proposed offer to acquire all of the outstanding Shares or any other proposed transaction involving the Corporation having similar effect.

The Option Plan specifies the types of amendments to the provisions of the Option Plan and any Option granted thereunder that will and will not require the approval of shareholders in order to be effective. By its terms, the Option Plan and any Option granted thereunder may be amended by the Board without the consent of shareholders generally to: (i) ensure continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental or regulatory authority or stock exchange; (ii) amendments of a “housekeeping” nature, including amendments relating to the administration of the Option Plan or to eliminate any ambiguity or correct or supplement any provision therein which may be incorrect or incompatible with any other provision thereof; (iii) change the vesting and exercise provisions of the Option Plan or any Option in a manner which does not entail an extension beyond the originally scheduled expiry date for any applicable Option, including to provide for accelerated vesting and early exercise of any Options deemed necessary or advisable in the Board’s discretion; (iv) change the termination provisions of the Option Plan or any Option which, in the case of an Option, does not entail an extension beyond an Option’s originally scheduled expiry date; (v) change the provisions on transferability of Options for normal estate settlement purposes; (vi) change the process by which a Holder who wishes to exercise his or her Option can do so, including the required form of payment for the Common Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered; and (vii) add a conditional exercise feature which would give participants the ability to conditionally exercise in certain circumstances determined by the Board in its discretion, at any time up to a date determined by the Board in its discretion, all or a portion of those Options granted to such participants which are then vested and exercisable in accordance with their terms, as well as any unvested Options which the Board has determined shall be immediately vested and exercisable in such circumstances.

In addition to such amendments as may require shareholder approval under applicable laws, the approval of shareholders will generally be required for the following amendments, in each case unless the amendment results from the application of the anti-dilution provisions of the Option Plan: (i) any amendment to the amendment provisions of the Option Plan which is not an amendment within the nature of paragraphs (i) or (ii) in the preceding paragraph requiring the approval of the Board only; (ii) any amendment to increase the maximum number of common shares issuable under the Option Plan; (iii) any amendment that would reduce the option price of an outstanding Option (including a cancellation and reissue of an Option constituting a reduction in the option price) or extension of the period during which an Option may be exercised; (iv) any amendment to remove or exceed the plan limits described herein; (v) any amendment to expand the eligibility criteria under the Option Plan; and (vi) any amendment to the provisions of the Option Plan that would permit Options to be transferred or assigned other than for normal estate settlement purposes.

## RENEWAL OF OPTION PLAN

The TSX requires that the Corporation obtain shareholder approval every three years for unallocated options under the Option Plan.

The Board has approved all unallocated options under the Option Plan, subject to approval by a resolution of a simple majority of the votes cast by shareholders at the Meeting. Accordingly, at the Meeting, shareholders will be asked to consider and, if deemed advisable, approve the following ordinary resolution (the "Option Renewal Resolution"):

"BE IT RESOLVED, as an ordinary resolution of the shareholders of Knight Therapeutics Inc., that:

1. All unallocated entitlements under the Option Plan, as described in the Management Information Circular of the Corporation dated May 26, 2020, are approved;
2. The Corporation is authorized to continue granting options under the Option Plan until June 25, 2023, being the date that is three years from the date hereof; and
3. Any one director or officer of the Corporation is authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver all such documents, and to do all such acts or things, as in the opinion of such director or officer, may be necessary or desirable in order to give full force and effect to this resolution."

The Corporation's Board of Directors recommends a vote "FOR" the approval of the Option Renewal Resolution. In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the approval of the Option Renewal Resolution.

If the Option Renewal Resolution is not passed at the Meeting, all unallocated Options under the Option Plan will be cancelled and the Corporation will not be permitted to grant further rights under the Option Plan.

## Employee Share Purchase Plan (ESPP)

The Corporation has in place an ESPP for the benefit of permanent employees and members of the Board, as designated by the Board or any appropriate committee thereof to purchase Common Shares to a maximum of 1% of the Common Shares issued and outstanding from time to time. As at March 31, 2020, there were 123,446 shares issued under the ESPP representing 0.09% of total number of outstanding Common Shares) leaving 1,233,047 shares available for future purchase. Enrolments are allowed four times per year and employees can subscribe after three months of employment.

The ESPP provides that the subscription price per share for shares which are the subject of any purchase under the ESPP shall be the lower of i) the weighted trading average closing price of the Common Shares for the 5 trading days immediately preceding the applicable purchase date or ii) or the price at which the Corporation has agreed to sell Common Shares pursuant to a short form prospectus under applicable Canadian securities laws in the thirty (30) day period preceding the applicable purchase date; ("**Market Price**"). The Corporation shall contribute an amount equal to 25% of the contributions made by participants towards the purchase of Common Shares pursuant to the ESPP, subject to certain conditions (the "**Corporate Contribution Amount**"). Employees under the plan receive at least the number of shares that such employees would have received had the Corporation contributed on the date of the employee's contribution. As such, if the Market Price of the Common Shares on the date of the Corporation's contribution is higher than on the date the participant contributed, the Corporation will contribute such amount that is sufficient to purchase 25% of the number of Common Shares purchased by the participant during the relevant contribution period. Conversely, if the Market Price of the Common Shares on the date of the Corporation's contribution is lower than on the date the participant contributed, the Corporation will contribute such amount that is 25% of the amount that was contributed for the relevant contribution period by the participant. No Common Shares will be purchased on behalf of a participating employee under the ESPP if such purchase could result, at any time, in (a) the issuance to insiders, within a one-year

period, of a number of Common Shares exceeding 10% of the issued and outstanding Common Shares; or (b) the issuance to any one insider and such insider's associates, within a one-year period, of a number of Common Shares exceeding 5% of the issued and outstanding Common Shares. In addition, the maximum number of Common Shares issuable to insiders at any time under the ESPP and any other share compensation arrangements shall be 10% of the outstanding Common Shares of the Corporation. The ESPP limits the yearly participation amount at 10% of the employee's annual income. For non-independent members of the Board, the yearly participation amount cannot exceed \$10,000. Rights under the ESPP are non-assignable. In the event that a participant, while remaining an employee, is no longer being paid by the Corporation due to an authorized period of absence, the contributions of such participant will be suspended until the participant resumes employment with the Corporation. In the event of the death or termination of employment of a participant and in the event a participant ceases to be a participant, participation in the ESPP will automatically terminate and the plan administrator will, unless otherwise instructed, remit to the estate of the deceased participant, to the participant or to the former participant, as the case may be, a certificate representing the number of whole Common Shares standing to the credit of such participant or former participant.

The Board may amend or modify the ESPP at any time without the consent of the participants, provided, however, that such amendment shall (a) subject to certain exceptions, not adversely alter or impair any ESPP Common Shares; (b) be subject to any regulatory approvals including, where required, the approval of the TSX; and (c) be subject to shareholder approval, where required by law or the requirements of the TSX, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to (i) amendments of a "housekeeping" nature, such as those of a typographical, clerical or grammatical nature; (ii) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted; and (iii) a change to the eligible participants of the ESPP. Any suspension, termination, material amendment or material modification to the ESPP (including an increase in the maximum number of Common Shares issuable under the ESPP) or a reduction in the Market Price of a Common Share (other than for standard anti-dilution purposes), shall be approved by the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of shareholders of the Corporation. In addition to the foregoing, any material amendment to an entitlement granted under the ESPP to an insider or an associate of an insider, including a change in the Market Price, shall be approved by a majority of votes cast at a meeting of shareholders, other than votes attaching to shares beneficially owned by participants or former participants.

In the event that an amendment is made, other than on a non-isolated basis, to an entitlement under the ESPP granted to a non-insider, the approval of a majority of votes cast at a meeting of shareholders shall be obtained only if required by the TSX.

Every three years after May 13, 2019, all unallocated entitlements under the ESPP will be submitted for approval to the Board and thereafter the shareholders of the Corporation.

## EQUITY COMPENSATION PLAN INFORMATION

### Option Plan

The following table provide the number of securities to be issued upon the exercise of options under the Option Plan. The Corporation does not have an equity compensation plan that has not been approved by securityholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of Common Shares remaining available for future issuance under the Option Plan (excluding securities reflected in the first column)
Stock option compensation plans approved by security holders	4,892,872	\$7.63	8,670,858
Stock option compensation plans not approved by security holders	-	-	-
<b>Total</b>	<b>4,892,872</b>	<b>\$7.63</b>	<b>8,670,858</b>

As at December 31, 2019, 4,892,872 Options were outstanding under the Option Plan and the option plan that was in place prior to the adoption of the Option Plan, representing 3.6% percent of the issued and outstanding common shares of Knight. As at December 31, 2019, 8,670,858 Options remained available for grant under the Option Plan, representing 6.4% percent of the issued and outstanding common shares of Knight.

The following table summarizes the burn rate (being the number of options granted under the Option Plan during the applicable fiscal year divided by the weighted average number of common shares outstanding for the applicable fiscal year) in respect of the Option Plan for the past three years:

Fiscal Year	Burn Rate
2017	0.4%
2018	0.5%
2019	0.6%

## ESPP

The following table provide the number of shares issued and available for future issuance under the ESPP at December 31, 2019. The Corporation does not have an ESPP that has not been approved by securityholders.

Plan Category	Number of Common Shares issued pursuant to the ESPP	Weighted-average exercise issue price of Common Shares issued pursuant to the ESPP	Number of Common Shares remaining available for future issuance under the ESPP (excluding securities reflected in the first column)
ESPP compensation plan approved by security holders	114,261	\$8.14	1,242,112
ESPP compensation plans not approved by security holders	-	-	-
<b>Total</b>	<b>114,261</b>	<b>\$8.14</b>	<b>1,242,112</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table indicates aggregate outstanding indebtedness to the Corporation of its Directors and NEOs as at May 26, 2020:

Aggregate Indebtedness (\$) <sup>(1)</sup>		
Purpose	To the Corporation of its Subsidiaries	To Another Entity
Purchase of securities	520,000	-
All other indebtedness	-	-
<b>Total</b>	<b>520,000</b>	<b>-</b>

<sup>(1)</sup> Indebtedness does not include interest on the indebtedness which was charged at 1% per annum throughout the 2019 financial year

The following table details the indebtedness to the Corporation of its Directors and NEOs with respect to the 2019 financial year under securities purchase programs:

Borrower's Name and Principal Position (in each case hereunder, the "Borrower")	Involvement of Corporation or Subsidiary	Security for Indebtedness	Largest Amount Outstanding During the 2019 Financial Year (\$) <sup>(1)</sup>	Amount Outstanding as at May 26, 2019 (\$) <sup>(1)</sup>	Financially Assisted Securities Purchases During the 2019 Financial Year (#)	Amount Forgiven During the 2019 Financial Year (\$)
Amal Khouri VP, Business Development	Lender	Securities Purchased	375,000	375,000	-	-
Jody Engel Senior Director, Business Development	Lender	Securities Purchased	145,000	145,000	-	-

<sup>(1)</sup> Indebtedness does not include interest on the indebtedness which was charged at 1% per annum throughout the 2019 financial year

The indebtedness to the Corporation listed in the table above (the "Loans") arose as part of the (i) Corporation's bought deal private placements of special warrants that took place on March 19, 2014 and December 22, 2014 (each special warrant entitled the Borrowers to acquire an equivalent number of Common Shares), (ii) the Corporation's bought deal placement of common shares that took place on May 27, 2016, and, (iii) the Corporation's bought deal placement of common shares that took place on December 22, 2016.

Name	Date	Amount Borrowed (\$)	Unit Price (\$)	Securities Purchased (#)
Amal Khouri	Mar. 19, 2014	225,000	3.50	64,286
	May 27, 2016	100,000	8.00	12,500
	Dec. 22, 2016	50,000	10.00	5,000
Jody Engel	Dec. 22, 2014	145,000	6.75	21,481

The Loans bear interest at 1% per annum. The difference between Canada Revenue Agency's prescribed rate and the interest rate on the Loans represents a taxable benefit which was at 1% from April 1, 2019 to December 31, 2019.

The Loans must be repaid at the earlier of when (i) the Borrower sells their respective underlying shares or (ii) within 90 days following the termination of the Borrowers' employment with the Corporation. Recourse against the respective Borrowers' assets, other than the underlying shares, is limited to 50% of the indebtedness, plus any unpaid interest.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation has liability insurance for its directors and officers. The aggregate annual premium for that insurance is paid by the Corporation. The insurance coverage under the policy for each loss is limited to \$15,000,000 for each policy year. The policy provides for a \$100,000 deductible for any claim made by the Corporation and there shall be no deductible for any claim made by a director or officer.

### **CORPORATE GOVERNANCE**

The Board and executive officers of the Corporation regard good corporate governance practices as being of the highest importance.

The Board monitors the changes made to corporate governance practices and regulatory requirements. Under National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**"), the Corporation is required to disclose certain information regarding its corporate governance practices. The comments of the Board regarding compliance with such policies can be found in Schedule "A" to this Information Circular.

In addition to the information set forth in Schedule "A" to this Information Circular, the following sets forth certain information regarding the Committees of the Board. The Board has established an Audit Committee and a Compensation Corporate Governance and Nominating Committee.

#### *Audit Committee*

The Audit Committee is comprised of three independent directors. The Chair of the Audit Committee is Robert N. Lande and the other two members are James C. Gale and Nancy Harrison.

The Audit Committee met five times with respect to the 2019 financial year. The primary responsibilities of the Audit Committee are to review and monitor the Corporation's accounting policies and financial controls, its financial statement presentation, the Corporation's ongoing financial disclosure and the Corporation's principal business risks. The members of the Audit Committee confer with Ernst & Young LLP, the Corporation's external auditors, as they believe is appropriate in the course of a given year. For more information regarding the Audit Committee and its Charter, please refer to the Corporation's Annual Information Form (Schedule "B") for the 2019 financial year.

### *Compensation, Corporate Governance and Nominating Committee*

The CCNGC is presently comprised of three independent directors. The chair of the committee is Sylvie Tandler and the other two members are Michael Tremblay and Kevin Cameron. The principal functions of the CCGNC are as follows:

- a) to address matters of corporate governance and to review and approve the compensation of the senior management of the Corporation, to review management's development of the compensation philosophy and then to independently monitor the Corporation's compensation systems and practices to ensure they encourage and reward behavior which supports the achievement of the Corporation's strategic goals. The CCGNC's role is also to make recommendations to the Board as to which directors and fulltime employees should be granted stock options pursuant to the Option Plan.
- b) to evaluate the size of the Board; identify the skill sets currently available and skill sets that may be required; assess the performance of the Board, its committees and the contributions of individual directors, taking into consideration knowledge, experience and personal attributes (e.g., professional experience, skills, background, race and gender); and, without disproportionately weighting any single attribute, recommend to the Board the director nominees to be put before the shareholders at the annual meetings.

For the financial year ended December 31, 2019 the CCGNC (or its predecessors) met once to discuss compensation levels for NEOs and once to discuss Board nominations for the upcoming Meeting.

### **AUDIT COMMITTEE INFORMATION**

Reference is made to Annual Information Form (Schedule "B") of the Corporation for the year ended December 31, 2019 for disclosure of the information relating to the Audit Committee required under Form 52-110F1. A copy of this document can be found on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

### **APPOINTMENT OF AUDITORS**

Unless such authority is withheld, the proxies hereby solicited will be voted to reappoint Ernst & Young LLP as auditors of the Corporation, to hold office until the next Annual Meeting of Shareholders and to authorize the Board of Directors of the Corporation to determine their remuneration. Ernst & Young LLP was first appointed in the 2014 financial year.

### **ADDITIONAL INFORMATION**

Additional financial and other information is provided in the Corporation's comparative financial statements, management's discussion and analysis thereon, and in the Corporation's annual information form for its most recently completed financial year. Copies of these documents and additional information relating to the Corporation are available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. Additional copies may be obtained without charge upon request to the Corporation's Secretary at 3400 De Maisonneuve Blvd. W., Suite 1055 Montreal, Quebec H3Z 3B8 - (514) 484-4483.

### **OTHER MATTERS**

The management of the Corporation knows of no matters to come before the Meeting other than as set forth in the notice of Annual Meeting of the Shareholders of the Corporation (the "**Notice**"). However, if any amendment or other business should properly be brought before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote upon any such amendment of the matters referred to in the Notice or on such other business in accordance with their best judgment.



## DIRECTORS' APPROVAL

The Board of directors of the Corporation has approved the contents of this Information Circular and its sending to holders of its Common Shares.

*(s) Jonathan Ross Goodman*

Jonathan Ross Goodman, B.A., LL.B., M.B.A.  
Chief Executive Officer

Director  
Montreal, Quebec

May 26, 2020

*(s) James C. Gale*

James C. Gale  
Chairman of the Board of Directors

Director  
New York, New York

May 26, 2020

## SCHEDULE "A"

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation holds the view that effective corporate governance practices are key to the overall success of a business corporation. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") which require that the Corporation disclose information about its corporate governance practices. This Schedule is intended to comply with such requirement. The Corporation is also complying with the provisions of National Instrument 52-110 - *Audit Committees* ("NI 52-110"), as discussed under "Audit Committee Information" above.

#### Disclosure Requirements under Regulation 58-101

##### 1) Board of Directors

###### a) Disclose the identity of directors who are independent.

The Board of Directors (the "Board") has reviewed the independence of each director as defined in NI 58-101. A director who is independent has no direct or indirect material relationship with the Corporation, including a relationship which in the view of the Board could reasonably interfere with the director's exercise of independent judgment. After having reviewed the role and relationships of each director, the Board has determined that the majority of the current directors are independent, namely:

James C. Gale  
Robert N. Lande  
Sylvie Tendler  
Nancy Harrison  
Michael J. Tremblay  
Kevin Cameron

In addition, the Board has determined that the majority of the directors nominated by management for election to the Board are independent, namely:

James C. Gale  
Robert N. Lande  
Michael J. Tremblay  
Nicolás Sujoy  
Janice Murray

###### b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

The Board has determined, after reviewing the role and relationships of each director, that the following directors nominated by management for election are not independent, namely:

Jonathan Ross Goodman, CEO, on the basis that he is an executive officer of the Corporation.

Samira Sakhia, President, on the basis that she is an executive officer of the Corporation.

###### c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board of Directors does to facilitate its exercise of independent judgement in carrying out its responsibilities.

The majority of six of eight directors are independent. In addition, the majority five of seven directors nominated by management for election are independent.

- 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 other issuer.**

Mr. Gale is a Director of Teligent, Inc.

Ms. Sakhia, Mr. Lande and Mr. Sujoy are Directors of Biotoscana Investment S.A.

- e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.**

The Board is of the view that appropriate structures and procedures are in place to ensure that it can function independently of the management. Independent directors have the ability to meet in the absence of members of management to the extent they deem appropriate. During fiscal 2019, the independent directors met five times in the absence of members of management, on a formal basis

- 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 that is independent, describe what the Board does to provide leadership for its independent directors.**

Mr. Gale acts as Chairman of the Board and is an independent Director.

- 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.**

The attendance record of each director for the Board meetings held via teleconference or in person during fiscal 2019 is as follows:

Director	Meetings before May 7, 2019	Meetings after May 7, 2019
James C. Gale	4 of 4 meetings	9 of 9 meetings
Jonathan Ross Goodman	4 of 4 meetings	9 of 9 meetings
Samira Sakhia	4 of 4 meetings	9 of 9 meetings
Robert N. Lande	4 of 4 meetings	9 of 9 meetings
Sylvie Tandler <sup>4</sup>	4 of 4 meetings	9 of 9 meetings
Meir Jakobsohn <sup>1</sup>	3 of 4 meetings	n/a
Nancy Harrison <sup>4</sup>	2 of 4 meetings	8 of 9 meetings
Michael Tremblay <sup>2</sup>	n/a	9 of 9 meetings
Kevin Cameron <sup>3, 4</sup>	n/a	7 of 9 meetings

<sup>1</sup> Meir Jakobsohn withdrew his nomination from the Board on May 7, 2019 and did not stand for re-election

<sup>2</sup> Michael Tremblay joined the Board on May 7, 2019

<sup>3</sup> Kevin Cameron joined the Board on May 7, 2019

<sup>4</sup> Ms. Tandler, Ms. Harrison and Mr. Cameron are not standing for re-election at this meeting.

## 2) Board Mandate

- a) **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.**

The Board has the overall responsibility for the strategic planning and general management of the business and affairs of the Corporation. In fulfilling its responsibilities, the Board is responsible for, among other things:

- adoption of a strategic planning process for the Corporation;
- the approval of the annual operating and capital expenditure budgets;
- identification of the principal risks of the Corporation's business and ensuring the implementation of the appropriate systems to manage these risks;
- succession planning for the Corporation including appointing and monitoring senior management;
- a communications policy for the Corporation;
- the approval of acquisitions, dispositions, investments and financings which exceed certain thresholds of materiality; and the integrity of the Corporation's internal controls and management information systems.

The Board discharges its responsibilities directly and through committees of the Board which have specific areas of responsibility. In addition to these matters, management is required to seek Board approval for major transactions including those that involve strategic investments, as well as capital and operating expenditures exceeding a certain threshold of materiality. The frequency of meetings, as well as the nature of items discussed, depends upon the opportunities or risks which the Corporation faces.

## 3) Position Descriptions

- 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.**

The Board has developed position descriptions for the chair of the Board and for the chair of each Board committee.

- 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 developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.**

The Board has developed a position description for the CEO.

## 4) Orientation and Continuing Education

- a) **Briefly describe what measures the Board takes to orient new directors regarding:**
- i) **the role of the Board, its committees and its directors, and**
  - ii) **the nature and operation of the issuer's business**

Nominees for the Board are selected based on their experience in business management and corporate governance and with a particular emphasis on potential nominees who have special expertise in an area of strategic interest to the Corporation. New directors are oriented to the business and affairs of the Corporation as well as to the role of the Board, its committees and its directors through discussions with management and other directors and through periodic presentations from management on major business, industry and competitive issues. In addition, at each quarterly Board meeting, directors have the

opportunity to hear presentations by management on various topics concerning the Corporation's operations.

- 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.**

Directors attend presentations held from time to time to keep them apprised of changes within the Corporation and the regulatory and industry requirements and standards.

## **5) Ethical Business Conduct**

- 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:**
- i) disclose how a person or company may obtain a copy of the code;**
  - 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**
  - iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

The Board has adopted a written code of business conduct and ethics for the directors, officers and employees. A person or company may obtain a copy of the code under at [www.SEDAR.com](http://www.SEDAR.com) under the Corporation's profile.

The Board satisfies itself regarding compliance with its code by requiring that all officers have a special duty to uphold the Corporation's reputation for integrity, honesty and ethical conduct by setting an example of compliance and by creating a work environment that encourages ethical behavior.

No material change reports have been filed since January 1, 2019 that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

- 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.**

A member of management is not permitted to negotiate transactions where he or she may have a material interest, either actual or perceived. In addition, Board members must declare if they have a conflict of interest considering transactions and agreements. Should a Board member have a conflict, actual or perceived, he or she may not vote on the transaction or agreement presented.

- c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.**

The promotion of a culture of integrity is part of the Board mandate. The Board requires that all officers have a special duty to uphold the Corporation's reputation for integrity, honesty and ethical conduct by setting an example of compliance and by creating a work environment that encourages ethical behavior. Furthermore, one of the principal duties of the CEO in his position description is to "promote a corporate culture that fosters a corporate culture that promotes ethical practices and encourages individual integrity".

The Board has adopted whistleblower procedures which allow employees to raise concerns regarding accounting, internal accounting controls or auditing matters on a confidential and anonymous basis. The complaints are forwarded directly to the Chair of the Audit Committee.

## 6) Nomination of Directors

### a) Describe the process by which the Board identifies new candidates for Board nomination.

The CCGNC objectively considers the independence of candidates, their financial acumen, competencies and other skills and the time which candidates have available to devote to the duties of the Board of Directors in making their recommendations for nomination to the Board.

### 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

Each member of the Board's CCGNC is "independent" within the meaning of NI 52-110.

### c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The principal duties of the nominating function of the CCGNC include: evaluating the size of the Board of Directors, identifying the skill sets currently available and skill sets that may be required, assessing the performance of the Board of Directors, its committees and committee chairs, and the contributions of individual directors on an annual basis, and recommending to the Board of Directors the director nominees to be put before the shareholders at the annual meetings of the Corporation. The CCGNC is responsible for identifying qualified new candidates to join the Board of Directors.

## 7) Compensation

### a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.

### 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.

### c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Board has directed the CCGNC to consider matters related to executive and Director compensation and to report and make recommendations to the Board with respect to such matters. In making its recommendations, the CCGNC considers many factors including corporate performance and compensation program and pay levels of other publicly traded pharmaceutical companies.

Each member of the Board's CCGNC is "independent" within the meaning of NI 52-110.

The CCGNC is responsible for setting and reviewing the compensation paid to the Corporation's officers and for selecting and administering the Corporation's short and long-term incentive plans for such officers. The CCGNC is responsible for reviewing and recommending a plan of succession for the Corporation's senior management. The CCGNC is also responsible for setting and reviewing the compensation paid to the directors and for evaluating each director's contribution to the performance of the Board. The Corporation has not used the services of a consultant or a specialized compensation advisor to help establish the Corporation's executive compensation or any other compensation related services during the financial year ended December 31, 2019.

## 8) Other Board Committees

- a) **If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.**

The Board has no other standing committees.

## 9) Assessments

- a) **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 committees, and its individual directors are performing effectively.**

While the Board has not implemented a formal process for evaluating its performance or the performance of individual Directors, the Board informally reviews its role on an ongoing basis. In addition, the Directors are encouraged to discuss any issues and to raise specific matters with the Chair or with each other. To this end, certain Board members hold in camera meetings to discuss the effectiveness and contribution of the other directors.

The Board believes that its informal performance review process sufficiently monitors the effectiveness and contribution of the Board, its committees and individual directors. No specific matters were raised during the financial year ended December 31, 2019.

## 10) Director Term Limits and Other Mechanisms for Board Renewal

- a) **Disclose whether or not the issuer has adopted term limits for the directors on its Board or other mechanisms of Board renewal and, if so, include a description of those director term limits or other mechanisms of Board renewal. If the issuer has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so.**

The Corporation has not adopted term limits for its directors or other mechanisms of Board renewal. The Corporation is aware of the positive impacts of bringing new perspectives to the Board, and therefore does occasionally add new members, however, the Corporation has not adopted term limits as it values continuity on its Board of Directors and the in-depth knowledge of Corporation held by those members who have a long-standing relationship with the Corporation.

## 11) Policies Regarding the Representation of Women on the Board

- a) **Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.**

Knight's Board recognizes that diversity and increased visibility of women, as well as other minorities, on the Board and at the senior level of the Company enrich the decision-making process and are important to the Corporation's good governance. On December 5, 2018, the Board formally adopted a written diversity policy. The Board believes that a board made up of highly qualified directors from diverse backgrounds and who reflect the changing population demographics of the markets in which the Corporation operates, the talent available with the required expertise, and the Corporation's evolving customer and employee base, promotes better corporate governance. To support this, the Compensation, Corporate Governance and Nominating Committee, when identifying candidates to recommend for appointment/election to the Board: (i) considers only candidates who are highly qualified based on their experience, functional expertise, and personal skills and qualities; (ii) considers diversity criteria including gender, age, ethnicity and geographic background; and (iii) conducts searches for candidates that meet the Board's skills and diversity criteria to help achieve its diversity

aspirations. As part of its diversity policy, the Board aspires towards board composition in which each gender comprises at least thirty percent of the directors.

With the above diversity and other goals in mind, when the Board and CEO recommend candidates for Board positions, the decisions are based on merit. The Corporation remains committed to selecting the best person to fulfill these roles, considering factors such as qualifications, personal attributes (e.g., professional experience, skills, background, race and gender), business background and experience.

A summary of the Corporation’s gender distribution number and percentage in respect of directors nominated for election is as follows:

Title	# of Women (Canada)	% of Women (Canada)	# of Women (Pan-American – ex US)	% of Women (Pan-American – ex US)
Internal Director <sup>(1)</sup>	3	75%	7	54%
Executive	2	50%	3	43%
Board <sup>(2)</sup>	2	29%	n/a	n/a

<sup>1</sup> An internal “director” is a senior level management position within the Corporation which falls immediately below the position of Vice-President.

<sup>2</sup> Members of the Board of Directors

## 12) Consideration of the Representation of Women in the Director Identification and Selection Process

- a) **Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re- election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer’s reasons for not doing so.**

See 11 (a) above

## 13) Consideration Given to the Representation of Women in Executive Officer Appointments

- a) **Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer’s reasons for not doing so.**

When the Board and CEO recommend candidates for Executive Officer positions, the decisions are based on merit. The Corporation remains committed to selecting the best person to fulfill these roles, considering factors such as qualifications, personal attributes (e.g., professional experience, skills, background, race and gender), business background and experience.

The Board also believes that diversity is important to ensure that profiles of Directors provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The diversity factors that the board considers include and but is not limited to gender, race, ethnicity, sexual identity, age, cultural background and religion.

To encourage diversity in leadership, Knight actively considers diversity, including gender representation, when identifying qualified candidates for leadership opportunities. This commitment is reflected in our practices, including a long history of representation of women on our executive leadership team. Currently, two out of four Executive Officers, or 50%, are female. Furthermore, diversity is highlighted with two Executive Officers from religious minority groups as well as two Executive Officer who are part of the visible minority of the Canadian population.



In light of this active and demonstrated commitment and the integration of diversity considerations into our existing practices, Knight has not adopted a formal, standalone diversity policy or specific diversity targets for determining Executive Officer appointments.

**14) Issuer’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

- a) For purposes of this Item, a “target” means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer’s board or in executive officer positions of the issuer by a specific date.
- b) Disclose whether the issuer has adopted a target regarding women on the issuer’s Board. If the issuer has not adopted a target, disclose why it has not done so.

See 11(a) above

- c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

See 13(a) above

**15) Number of Women on the Board and in Executive Officer Positions**

- a) Disclose the number and proportion (in percentage terms) of Directors on the issuer’s Board who are women.

Currently, three out of seven members of the Board of Directors are women (43%).

- b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

A summary of the Corporation’s gender distribution number and percentage in respect of management, executive officers and in respect of directors nominated for election is as follows:

Title	# of Women (Canada)	% of Women (Canada)	# of Women (Pan-American – ex US)	% of Women (Pan-American – ex US)
Internal Director <sup>(1)</sup>	3	75%	7	54%
Executive	2	50%	3	43%
Board <sup>(2)</sup>	2	29%	n/a	n/a

<sup>1</sup> An internal “director” is a senior level management position within the Corporation which falls immediately below the position of Vice-President.

<sup>2</sup> Members of the Board of Directors