



KNIGHT THERAPEUTICS INC.

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

April 14, 2021

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

Where:

Virtual only meeting only via live online audio webcast at <https://web.lumiagm.com/483817790>.

When:

Thursday, May 13, 2021, at 9:00 a.m. (Eastern time)

The following items of business will be covered, as more fully described in the accompanying management information circular (the “**Information Circular**”):

1. Receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2020, together with the auditors’ report thereon;
2. Elect the directors of the Corporation 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, pass with or without modification, an ordinary resolution approving the adoption of an Omnibus Equity Incentive Plan as more particularly described in the Information Circular;
5. Consider and, if deemed advisable, pass with or without modification, an ordinary resolution approving the extension of an aggregate of 1,339,720 options granted to certain executive officers, directors and employees of the Corporation for an additional period of three years; and
6. Transact such other business as may properly come before the Meeting or any adjournment thereof.

Virtual only format

In order 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 the 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/483817790> . 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.

A French version of the Information Circular is or will be made available under the Corporation’s profile on SEDAR at www.sedar.com prior to the Meeting. Une version française de la circulaire d’information de la direction sera disponible sous le profil de la société sur SEDAR à l’adresse www.sedar.com avant l’assemblée.

Montreal, Québec, April 14, 2021

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, or vote virtually or 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 9:00 a.m. (Eastern time) on May 11, 2021. 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” or “Knight”) 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, 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 or her attorney authorized in writing and depositing it either (i) at the following address: 1501 McGill College Avenue, 26th 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 Common 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 his, her or 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 of Common Shares. 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 he, she or 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, he, she or 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 his, her or 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/483817790>, click on "I have a Control Number/ No de contrôle", enter the 13-digit Control Number found on the proxy, and the password **knight2021**, 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/ Invité".

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 complete the online form available at <https://lp.astfinancial.com/ControlNumber> or contact AST at 1-866-751-6315 (within North America) or 1-212-235-5754 (outside of North America) by 9:00 a.m. (Eastern time) on May 11, 2021 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 Common Shares virtually at the Meeting if you have (a) previously appointed yourself as the proxyholder for your Common 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 9:00 a.m. (Eastern time) on May 11, 2021, you completed the online form available at <https://lp.astfinancial.com/ControlNumber> or 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 Common Shares by printing his or her 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 complete the online form available at <https://lp.astfinancial.com/ControlNumber> or contact AST at 1-866-751-6315 (within North America) or 1-212-235-5754 (outside of North America) by no later than 9:00 a.m. (Eastern time) on May 11, 2021 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 9:00 a.m. (Eastern time) on May 11, 2021.

*You will need the latest versions of Chrome, Safari, Edge and Firefox. Please log in early to ensure browser compatibility. **PLEASE DO NOT USE INTERNET EXPLORER.***

Caution: *Internal network security protocols including firewalls and VPN connections may block access to the Lumi platform for your AGM. If you are experiencing any difficulty connecting or watching the Meeting, ensure your VPN setting is disabled or use computer on a network not restricted to security settings of your organization.*

*Vous avez besoin de la dernière version de Chrome, Safari, Edge ou Firefox. Veuillez-vous connecter à l'avance pour vous assurer que votre navigateur est compatible. **SVP NE PAS UTILISER INTERNET EXPLORER***

Attention : *Les réseaux internes, pare-feux, de même que les VPN pourraient bloquer la diffusion ou l'accès à la plate-forme Lumi. Si vous éprouvez des difficultés, veuillez-vous assurer que votre VPN est désactivé ou que vous n'utilisez pas un ordinateur connecté sur un réseau d'entreprise.*

SHAREHOLDER PROPOSALS FOR 2022 ANNUAL MEETING

Shareholder proposals intended to be presented at the Corporation's 2022 annual meeting of shareholders must be submitted for inclusion in the Corporation's proxy materials prior to February 12, 2022.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

Holders of Common Shares who are included in the list of shareholders registered at the close of business on March 22, 2021 (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 the Record Date, 128,764,247 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 the Record Date, to the knowledge of the Corporation's management, the only person who owned, or who exercised control or direction over, directly or indirectly, 10% or more of the Common Shares was:

Name	Ownership or Control or Direction
Jonathan Ross Goodman	17.2% ⁽¹⁾

(1) Mr. Goodman directly owns 497,941 Common Shares and indirectly owns 21,667,133 Common 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 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 such proxy has indicated that his, her or its shares are to be voted otherwise or are not to be voted in respect of the election of the 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. Under the policy, 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. Such resignation becomes effective if accepted by the Board. The Compensation, Corporate Governance and Nominating Committee (the "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 by-law of the Corporation adopted by the Board on December 5, 2018 and ratified by the shareholders of the Corporation on May 7, 2019 (the “**Advance Notice By-Law**”), any additional director nominations for the Meeting must have been received by the Corporation in compliance with the Advance Notice By-Law no later than the close of business on April 13, 2021. As of the date of this Information 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	Age	Director Since	Committee Membership	Common Shares Beneficially Owned or Controlled ⁽¹⁾	Total accumulated value of directors' equity holdings ⁽²⁾
James C. Gale (Chairman) New York, USA	Managing Partner, Signet Healthcare Partners	71	2014	Audit	201,053	\$277,218
Jonathan Ross Goodman ⁽³⁾ Québec, Canada	Chief Executive Officer of the Corporation	53	2013		24,558,644	\$120,357,981
Samira Sakhia Québec, Canada	President and Chief Operating Officer of the Corporation	52	2016		676,418	\$262,839
Robert N. Lande New York, USA	President, FXCM Group LLC	58	2014	Audit, CCGNC	205,714	\$356,827
Michael J. Tremblay Ontario, Canada	Corporate Director	68	2019	CCGNC	40,000	\$-
Nicolás Sujoy Buenos Aires, Argentina	Partner, Clara Capital	45	2020		20,000	\$-
Janice Murray Québec, Canada	Corporate Director	55	2020	Audit, CCGNC	22,300	\$12,489

Notes:

- (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 April 19, 2021.
- (2) All Common Shares owned and valued as at March 31, 2021.
- (3) Includes indirect ownership of 21,667,133 Common Shares by Long Zone Holdings Inc., a company controlled by Jonathan Ross Goodman, and 300 Common Shares owned by his children.

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

Mr. Gale is the founding partner of Signet Healthcare Partners (“**Signet**”). He is currently the Chairman of the board of directors of Alpex Pharma S.A. and Teligent Inc., and also serves on the board of directors of Spopharm 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 for 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 a member of the Board of Directors of Paladin Labs Inc. (“**Paladin**”) from 2008 to 2014.

Jonathan Ross Goodman, Director, Chief Executive Officer

Mr. Goodman founded Knight in February 2014. Mr. Goodman was co-founder of Paladin and was President and Chief Executive Officer until its acquisition by Endo Health Solutions Inc. (“**Endo**”) in 2014 for \$3.2 billion. Under Mr. Goodman’s leadership, Paladin grew to be a leading Canadian specialty pharmaceutical company with sales of over \$150 million in Canada. Prior to co-founding Paladin 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 and Chief Operating Officer

Ms. Sakhia joined Knight as President in August 2016 and was appointed President and Chief Operating Officer in June 2020. Additionally, Ms. Sakhia served as Chief Financial Officer from October 2017 to March 2020. Prior to Knight, Ms. Sakhia served as the Chief Financial Officer of 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 Toronto Stock Exchange and completed the sale of Paladin to Endo for \$3.2 billion. 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 a member at large of the Board of Governors of McGill University and an independent Board member at the McGill University Health Center. Ms. Sakhia holds an MBA, a Bachelor of Commerce and a Graduate Diploma in Accountancy from McGill University.

Robert N. Lande, Director

Mr. Lande is the President of FXCM Group LLC (“**FXCM**”), 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 a member of the board of directors of Paladin from 1995 to 2014. Mr. Lande is a chartered financial analyst and holds an M.B.A. from the John Molson School of Business of Concordia University 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. (“**Astellas**”) 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 as President 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 and Innovative Medicines Canada (“**IMC**”), the organization representing the leading research-based pharmaceutical companies in Canada. Mr. Tremblay began serving on the Board of IMC in 2011, 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 was a member of the board of directors of GBT (as defined below). He is a founding partner of the Private Equity firm Clara Capital. Formerly, Mr. Sujoy worked for Advent International (“**Advent**”), 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, Mr. Sujoy 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 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 Chief Financial Officer of Novartis Pharmaceuticals Canada Inc. (“**Novartis Canada**”), for several years before becoming Vice-President of the Ophthalmics Business Franchise. Ms. Murray then became Chief Financial Officer of the Latin America & Canada Region where she was responsible for 10 reporting units and \$2 billion in sales. Before her retirement in 2019, she became President of Novartis Canada where she led multiple therapeutic areas, launched several innovative medicines and served on the Innovative Medicines Canada Industry Board. Prior to Novartis Canada, 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 led several strategic projects during key acquisitions and privatization. She completed her CPA, CA designation while working at KPMG LLP 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 VOBOS Foundation, and the Teresa Dellar Palliative Care Residence Foundation. Ms. Murray holds a CPA designation from the *Ordre des comptables professionnels agréés du Québec*, 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 Information Circular, or has been, within 10 years before the date of this Information 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 Information Circular, or has been within 10 years before the date of this Information 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 Information 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 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 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 Toronto Stock Exchange.

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

Most of the disclosure in this document in respect of compensation is for periods ending on December 31, 2020 or earlier and is based on Knight’s historical results. Due to the transformational acquisition of Biotoscana Investments S.A. (“GBT”), which operates in ten different Latin American markets, executive compensation and benchmarks are under reconsideration. In 2020, the Corporation has retained the services of Mercer (Canada) Ltd. as an independent consultant to conduct competitive reviews and assessments of the Corporation’s executive compensation program and recommend future strategies. As of the date of this Information Circular, the review is still ongoing and there was no change in the compensation programs of Directors and NEOs (as defined below) for fiscal year 2020 compared to 2019. The restructured 2021 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. The table below shows consulting expenses incurred in 2020 and 2019.

Category	2020	2019
	\$	\$
Executive Compensation-Related Fees	128,260	-
All Other Fees	62,630	-
Total Fees	190,890	-

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 Officer¹ (“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

Components of 2020 Compensation

The compensation of NEOs consists primarily of three components: base salary, annual bonus, and participation in the Corporation’s Option Plan (as defined below). In addition, NEOs in Canada may participate in the Corporation’s employee stock purchase plan (the “ESPP”) and the 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 Chief Executive Officer of the Corporation (the “CEO”), approved by the CCGNC and in the case of the Corporation’s Executive Officers², 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 from May 7, 2019 to June 25, 2020 was composed of the following independent Directors: Robert N. Lande, Michael J. Tremblay, Kevin Cameron and Sylvie Tendler (Chair). Effective June 25, 2020, the composition of the CCGNC was as follows: Michael J. Tremblay (Chair), Robert N. Lande and Janice Murray. 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 the NEO compensation is to attract and retain highly qualified executives necessary for the Corporation’s long-term success. Base salary levels for NEOs 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.

¹ Refers to the CEO, the Chief Financial Officer and the three most highly compensated executive officers or individuals acting in a similar capacity.

² Executive Officers refers to Knight’s CEO, President and Chief Operational Officer, Vice-President, Business Development, and Vice-President Finance.

Short Term Incentive: Annual Bonus

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

Objective	<ul style="list-style-type: none"> • Reward NEOs for Knight’s achievements and overall corporate performance
Form of award	<ul style="list-style-type: none"> • Cash payment
Performance Period	<ul style="list-style-type: none"> • 12 months
Grant/Award determination	<ul style="list-style-type: none"> • Target bonus percentage for NEOs ranges from 30% to 37.5% of base salary • The CCGNC reviews total compensation, including annual bonuses awarded by the Comparator Group in setting target bonus percentage • Actual bonus payout percentage for Executive Officers is approved by the CCGNC and the Board in the first quarter of each fiscal year upon approval of the annual audited financial statements
Performance measures	<ul style="list-style-type: none"> • Overall performance of Knight, considering factors such as revenue growth, profitability, advancement of product pipeline and strategic investments
Vesting	<ul style="list-style-type: none"> • Paid following the end of the fiscal year upon approval of the annual audited financial statements • Final payout is discretionary based on overall performance of Knight assessed by the CCGNC

The final payout of the annual bonus is approved by the CCGNC and the Board at the end of a fiscal year based on a review of corporate performance achieved during the year. For fiscal year 2020, no annual bonus was paid to the NEOs.

Long Term Incentive: Stock Options

The Option Plan was approved by the CCGNC and the Board based on the recommendations of the Corporation’s CEO and the Corporation’s President and Chief Operating Officer. 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 current long-term incentive compensation program for the 2020 fiscal year were as follows:

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

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 2020

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 2020 financial year:

Base salary

- Annual base salary of \$315,000

Short Term Incentive: Annual Bonus

- Target bonus equal to 37.5% of base salary
- The CEO did not receive a bonus for fiscal year 2020

Long-Term Incentive: Stock Options

- 189,848 options at an exercise price of \$7.02 valued at \$510,275 using Black-Scholes model granted on July 1, 2020
- Options granted represent 0.2% of the issued and outstanding Common Shares on a non-diluted basis as at April 19, 2021
- As at April 19, 2021, a total of 2,393,270 stock options are held by the CEO, representing 1.9% of the issued and outstanding Common Shares on a non-diluted basis

ESPP

- Knight issued 6,465 Common Shares to the CEO in 2020 under the ESPP, including 1,258 Common Shares contributed by the Corporation

NEOs 2020 Compensation (excluding CEO)

The following are the key characteristics of the NEOs (excluding the CEO) compensation program for the 2020 financial year:

Base salary

- Annual salary in the range of \$265,000 - \$310,000

Short Term Incentive: Annual Bonus

- Target bonus percentage ranged from 30% to 35% of base salary
- The NEOs did not receive an annual bonus for fiscal year 2020
- Two NEOs based in Latin America received a retention bonus in accordance with their employment agreements with GBT which were not related to their personal or corporate performance

Long-Term Incentive: Stock Options

- Aggregate of 304,132 stock options (valued at \$817,450 using Black-Scholes model) were granted to the NEOs (excluding the CEO), representing 0.2% of the issued and outstanding Common Shares on a non-diluted basis as at April 19, 2021
- The NEOs (excluding the CEO) held a total of 1,539,810 options, representing 1.2% of the issued and outstanding Common Shares on a non-diluted basis as at April 19, 2021

ESPP

- Aggregate of 13,175 Common Shares issued under the ESPP in 2020 to the NEOs (excluding the CEO), including 2,625 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 2018 to 2020 fiscal years by the NEOs is summarized in the table below:

Name and principal position	Year	Salary (\$)	Share-based Awards (\$) ⁽¹⁾	Option-based Awards (\$) ⁽²⁾	Non-equity incentive plan compensation		Pension Value (\$)	All Other Comp (\$) ⁽⁴⁾	Total (\$)
					Annual Incentive Plans (\$) ⁽³⁾	Long-term Incentive Plans (\$)			
Jonathan Ross Goodman CEO	2020	318,635	9,327	510,275	-	-	-	17,885	856,122
	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
Arvind Utchanah ⁽⁵⁾ Chief Financial Officer	2020	249,885	4,112	226,550	-	-	-	15,000	495,547
	2019	168,577	2,886	233,538	171,000	-	-	14,743	590,744
	2018	137,370	-	92,667	32,282	-	-	5,461	267,780
Samira Sakhia President and Chief Operating Officer	2020	298,404	8,165	364,350	-	-	-	17,054	687,973
	2019	286,985	6,575	364,350	309,750	-	-	19,479	987,140
	2018	266,829	-	389,000	120,073	-	-	10,662	786,564
Amal Khouiri ⁽¹³⁾ VP, Business Development	2020	268,058	7,135	226,550	-	-	-	17,678	519,421
	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
Julieta Serna ⁽⁶⁾⁽⁷⁾⁽⁹⁾ EVP LATAM Zone	2020	302,179	-	-	110,223 ⁽⁸⁾	-	-	286,259	703,248
	2019	23,102	-	-	84,578 ⁽⁸⁾	-	-	241	107,921
Claudio Coracini ⁽⁶⁾⁽¹⁰⁾⁽¹²⁾ Interim CEO of GBT	2020	267,360	-	-	49,358 ⁽¹¹⁾	-	-	393,186	709,904
	2019	27,864	-	-	91,832 ⁽¹¹⁾	-	-	-	119,696

Notes:

- (1) 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.
- (2) The option-based awards granted to NEOs in respect of the 2020 financial year vest at a rate of one-quarter per year. The fair value of the option-based awards granted in respect of the 2020 fiscal 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	July 1, 2020
Exercise Price	\$7.02
Risk free interest rate	0.39%
Dividend yield	Nil
Volatility factor	39.11%
Average expected life	6.26 Years
Fair value (rounded)	\$2.69

- (3) The non-equity annual incentive plan compensation consists entirely of annual bonuses, unless otherwise specified
- (4) All other compensation in respect of the 2020 fiscal year consists of Knight's contribution under the RRSP matching program, taxable benefits from interest on employees' loan and car allowance, unless otherwise specified.
- (5) Mr. Utchanah was appointed Director of Finance in June 2016 and was promoted to VP Finance in August 2019 and to Chief Financial Officer in March 2020.
- (6) Ms. Serna and Mr. Coracini joined the Corporation following the acquisition of GBT on November 29, 2019 by the Corporation. Their compensation for fiscal year 2019 reflects amounts earned for the month of December 2019. In addition, on November 29, 2019, Ms. Serna and Mr. Coracini received cash compensations of \$266,989 [7,602,415 Uruguayan pesos] and \$200,116 [637,110 Brazilian reais], respectively, for services rendered to GBT prior to its acquisition by the Company, which are not reflected in the above summary compensation table.
- (7) Ms. Serna received her salary in Uruguayan pesos. The weighted average conversion rate from UYU to CAD was 31.1307 for 2020 and 28.9084 for December 2019.
- (8) Ms. Serna's non-equity annual incentive plan compensation amount consisted of a retention bonus of \$110,233 [USD 83,333] in 2020, and consisted of an annual bonus of \$84,578 [UYU 2,739,390] for the full fiscal year of 2019.
- (9) Ms. Serna resigned effective December 1, 2020. Her salary for 2020 includes amounts earned prior to her resignation. All Other Compensation for the 2020 fiscal year includes a settlement amount of \$286,259 [USD 223,500] related to her resignation.
- (10) Mr. Coracini received his compensation in Brazilian reais ("BRL") on a monthly basis. His compensation was recorded in CAD for each period at the monthly average foreign exchange rate. The weighted average conversion rate from BRL to CAD was 0.2596 for 2020 and 0.3206 for December 2019.
- (11) Mr. Coracini's non-equity annual incentive plan compensation amount consisted of a retention bonus of \$49,359 [USD 33,333] in 2020, and consisted of an annual bonus of \$91,832 for the full fiscal year of 2019.
- (12) Mr. Coracini resigned effective January 1, 2021. His salary for 2020 includes amounts earned prior to his resignation. All Other Compensation for the 2020 fiscal year includes a settlement amount of \$393,186 [BRL 1,578,426] related to his resignation.
- (13) Ms. Khouri was promoted to Chief Business Officer on March 25, 2021, effective January 1, 2021.

Outstanding Option-based Awards and Share-based Awards

The following table indicates for each NEO all awards outstanding at the end of the 2020 fiscal 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 (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#) ⁽²⁾	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jonathan Ross Goodman	1,186,470 ⁽³⁾	5.65	June 2, 2021 ⁽⁴⁾	-	2,932	15,686	-
	290,000 ⁽³⁾	8.75	March 24, 2022	-			
	250,000	7.76	March 16, 2023	-			
	182,482	10.00	March 20, 2025	-			
	161,252	7.67	March 19, 2026	-			
	133,218	10.10	March 21, 2027	-			
	189,848	7.02	July 1, 2028	-			
Arvind Utchanah	25,000	8.28	August 16, 2023	-	986	5,275	-

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#) ⁽²⁾	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
	27,990	7.73	March 20, 2025	-			
	29,388	7.67	March 19, 2026	-			
	45,054	7.75	August 13, 2026	-			
	11,829	10.10	March 21, 2027	-			
	84,288	7.02	July 1, 2028	-			
Samira Sakhia	117,498	7.73	March 20, 2025	-	2,724	14,573	-
	115,138	7.67	March 19, 2026	-			
	225,000	9.60	September 21, 2026	-			
	34,821	10.10	March 21, 2027	-			
	135,556	7.02	July 1, 2028	-			
Amal Khouri	85,000	5.20	August 25, 2021 ⁽⁴⁾	12,750	2,436	13,033	-
	135,000	8.75	March 24, 2022	-			
	125,000	7.76	March 16, 2023	-			
	83,970	7.73	March 20, 2025	-			
	71,592	7.67	March 19, 2026	-			
	74,010	10.10	March 21, 2027	-			
	84,288	7.02	July 1, 2028	-			
Julieta Serna	-	-	-	-	-	-	-
Claudio Coracini	-	-	-	-	-	-	-

Notes:

- (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, 2020 on the Toronto Stock Exchange (\$5.35) 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 "Option Plan" section 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 the Toronto Stock Exchange on December 31, 2020 (\$5.35). 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.
- (4) At the Meeting, the shareholders of the Corporation are asked to pass an ordinary resolution approving the extension of an aggregate of 1,339,720 options granted to certain executive officers, directors and employees of the Corporation, including Mr. Goodman and Ms. Khouri, for an additional period of three years.

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 2020 financial year:

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$) ⁽²⁾
Jonathan Ross Goodman	0	7,597	0
Arvind Utchanah	0	3,396	0

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$) ⁽²⁾
Samira Sakhia	0	6,649	0
Amal Khouri	0	5,809	0
Julieta Serna	0	0	110,223
Claudio Coracini	0	0	49,358

Notes:

- (1) 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.
- (2) The amount of non-equity incentive plan compensation is the amount of annual bonus as well as retention 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 continue to not only receive their therapies but also to receive their therapies safely. For example, Knight provided compassionate support program for PROBUPHINE® to qualified patients in provinces prior to reimbursement 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.

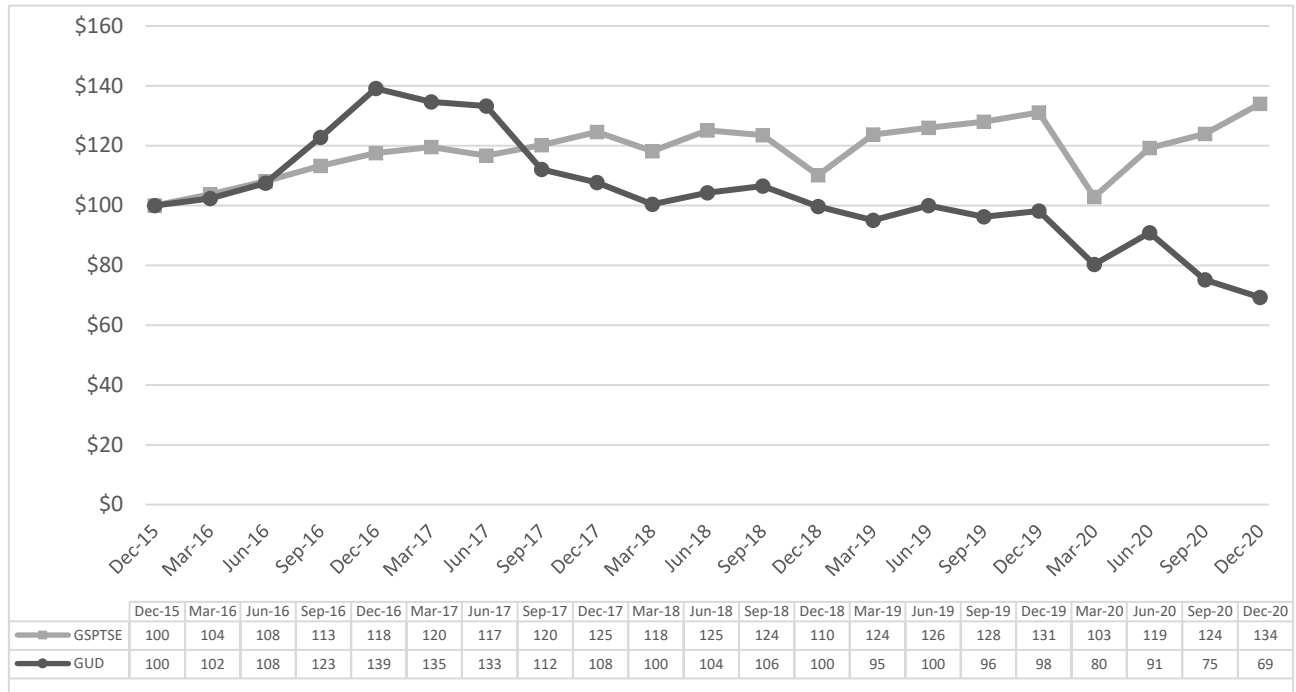
ENVIRONMENTAL MATTERS

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 on December 31, 2015 up to December 31, 2020, with the S&P/TSX Composite Index.



The graph shows that the total shareholder return for the prescribed period has declined by 31%, while the S&P/TSX index has grown by 34% 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 the 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 price of the Common Shares 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 Common Share's price, thereby aligning the interests of NEOs 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 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 Common Share's 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, 2020, 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 2020 fiscal year, non-independent Directors did not receive any form of compensation for being members of the Board. The compensation of independent Directors during the 2020 fiscal year was as follows:

Cash Compensation

Total cash compensation of \$160,382 was earned by the independent Directors

Prior to June 25, 2020

- \$12,000 per independent Director (\$16,800 for Board chair)
- \$3,750 per member of the Audit Committee (\$4,500 for committee chair)
- \$2,250 per member of the CCGNC (\$2,700 for committee chair)

Effective June 25, 2020

- \$30,000 per independent Director (\$40,000 for Board chair)
- \$7,500 per member of the Audit Committee (\$9,000 for committee chair)
- \$3,000 per member of the CCGNC (\$5,000 for committee chair)

Long-Term Incentive: Stock Options

- Compensation of 20,000 options granted on July 1, 2020 for all Directors (25,000 for Board chair)
- Compensation subject to an annual Black-Scholes value cap of \$100,000

ESPP

- For non-executive Directors¹, 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

¹ 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 2020 fiscal year:

Name	Fees earned (\$)	Share-based Awards (\$) ⁽¹⁾	Option-based Awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All Other Compensation (\$)	Total (\$)
James C. Gale	34,025	-	67,214	-	-	-	101,239
Robert N. Lande ⁽³⁾	43,788	2,919	53,771	-	-	-	100,478
Sylvie Tendler ⁽⁴⁾	7,350	-	-	-	-	-	7,350
Nancy Harrison ⁽⁴⁾	7,875	-	-	-	-	-	7,875
Michael J. Tremblay	24,625	-	53,771	-	-	-	78,396
Janice Murray ⁽⁵⁾	21,375	-	53,771	-	-	-	75,146
Kevin Cameron ⁽⁴⁾	6,344	-	-	-	-	-	6,344
Nicolas Sujoy ⁽⁵⁾	15,000	-	53,771	-	-	-	68,771

Notes:

- (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 2020 fiscal 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 2020 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:	July 1, 2020
Risk free interest rate	0.39%
Dividend yield	Nil
Volatility factor	39.11%
Average expected life	6.26 Years
Fair value (rounded)	\$2.69

- (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 2020 average exchange rate.
- (4) Sylvie Tendler, Nancy Harrison and Kevin Cameron ceased to act as Board members on June 25, 2020.
- (5) Nicolás Sujoy and Janice Murray joined the Board on June 25, 2020.

Outstanding Option-based Awards and Share-based Awards

The following table indicates for each independent Director all awards outstanding at the end of the 2020 fiscal 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 (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#) ⁽²⁾	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
James C. Gale	20,000	5.65	Jun. 2, 2021	-	-	-	-
	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	-	-	-	-
	20,000	10.25	May 16, 2027	-	-	-	-
	25,000	7.02	Jul. 1, 2027	-	-	-	-
Robert N. Lande	20,000	5.65	Jun. 2, 2021	-	-	-	-
	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	-	-	-	-
	20,000	10.25	May 16, 2027	-	-	-	-
	20,000	7.02	Jul. 1, 2027	-	-	-	-
Sylvie Tendler ⁽³⁾	20,000	8.75	Jun. 24, 2021	-	-	-	-
	20,000	7.76	Jun. 24, 2021	-	-	-	-
	20,000	8.05	Jun. 24, 2021	-	-	-	-
	20,000	7.39	Jun. 24, 2021	-	-	-	-
	20,000	10.25	Jun. 24, 2021	-	-	-	-
Nancy Harrison ⁽³⁾	15,000	8.26	Jun. 24, 2021	-	-	-	-
	20,000	7.39	Jun. 24, 2021	-	-	-	-
Michael J. Tremblay	20,000	7.39	May 14, 2026	-	-	-	-
	20,000	7.02	Jul. 1, 2027	-	-	-	-
Janice Murray ⁽⁴⁾	20,000	7.02	Jul. 1, 2027	-	-	-	-
Kevin Cameron ⁽³⁾	20,000	7.39	Jun. 24, 2021	-	-	-	-
Nicolas Sujoy ⁽⁴⁾	20,000	7.02	Jul. 1, 2027	-	-	-	-

Notes:

- (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, 2020 on TSX (\$5.35) 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 "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, 2020 (\$5.35). See "Employee Share Purchase Plan" section for further details.
- (3) Sylvie Tendler, Nancy Harrison and Kevin Cameron ceased to act as Board members on June 25, 2020.
- (4) Nicolás Sujoy and Janice Murray joined the Board on June 25, 2020.

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 2020 fiscal year:

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
James C. Gale	750	-	-
Robert N. Lande	600	2,919	-
Sylvie Tendler ⁽²⁾	600	-	-
Nancy Harrison ⁽²⁾	600	-	-
Michael J. Tremblay	600	-	-
Janice Murray ⁽³⁾	-	-	-
Kevin Cameron ⁽²⁾	600	-	-
Nicolas Sujoy ⁽³⁾	-	-	-

Notes:

- (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.
- (2) Sylvie Tendler, Nancy Harrison and Kevin Cameron ceased to act as Board members on June 25, 2020.
- (3) Nicolás Sujoy and Janice Murray joined the Board on June 25, 2020.

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 the 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 of the Corporation issued and outstanding from time to time, (the “**Common Shares**”) 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 April 14, 2021, the total number of options presently available for grant under the Option Plan is 7,377,196. As of the Effective date of the Omnibus Equity Incentive Plan, no further awards shall be made under the Option Plan. Each Option granted under the Option Plan shall continue to be governed by the terms and conditions of the Option Plan and instrument, and the instrument as amended, if applicable, evidencing such grant.

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 ten (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.

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 April 14, 2021, there were 174,680 Common Shares issued under the ESPP, representing 0.14% of the issued and outstanding Common Shares, leaving 1,090,366 Common Shares available for future purchases. 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 Common 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 Toronto Stock Exchange; and (c) be subject to shareholder approval, where required by law or the requirements of the Toronto Stock Exchange, 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 Toronto Stock Exchange.

SPECIAL MATTERS

ADOPTION OF OMNIBUS EQUITY INCENTIVE PLAN

Knight currently maintains an Option Plan (as defined above) which was approved by the shareholders of Knight in 2017. The Option Plan provides for awards of options to acquire Common Shares to be granted to directors, officers, eligible employees and consultants of Knight or its affiliates. The Board of Knight believes that the Option Plan has been effective in attracting qualified employees, directors and consultants to Knight and in providing long-term incentives and rewards to those individuals responsible for Knight's growth and success. The Board further believes that the awards granted under the Option Plan have provided an incentive that aligns the economic interests of plan participants with those of our shareholders. Stock options have long been an integral and essential component of competitive compensation packages for companies in our industry and in startup companies.

The evolution of the employment marketplace has contributed to the continuing development of innovative compensation practices involving several alternative forms of equity-based incentives in order to attract, retain and motivate talented to professionals. In view of these developments, the Board believes that the adoption and approval of a new long-term incentive plan permitting the grant of stock options and restricted share units ("RSUs") and performance share units ("PSUs" and together with RSUs, "Share Units") settled in Common Shares (or, at the election of Knight, their cash equivalent) will provide Knight with a flexible and dynamic long-term incentive compensation structure that: (i) allows for the implementation of potential performance vesting conditions; (ii) removes the link between stock option awards and short-term performance; and, (iii) allows Knight to provide equity-based compensation to international employees. In addition, under the proposed plan, Knight would be able to grant deferred share units ("DSUs") to non-employee members of the board of directors of Knight and its designated affiliates. Given the factors noted above, the Board believes that the adoption of the Omnibus Equity Incentive Plan is in the best interests of Knight. Accordingly, the Board adopted, subject to the approval of the shareholders, the Knight Therapeutics Inc. Omnibus Equity Incentive Plan attached hereto as Schedule B (the "Omnibus Equity Incentive Plan" or the "Plan"). As part of the requirements for listing with the TSX, the Omnibus Equity Incentive Plan must be approved by the shareholders.

Upon approval of the Omnibus Equity Incentive Plan by the shareholders, the Option Plan will be frozen and no further grants or awards will be made under such plan. However, the Option Plan will continue in effect after approval of the Omnibus Equity Incentive Plan for so long as and solely to the extent necessary to administer previously granted awards that remain outstanding under such plan. If the Omnibus Equity Incentive Plan is not approved by the shareholders, the Option Plan will remain in effect according to its terms and Knight may continue to make stock option awards under such plan. As at March 31, 2021, there were 5,278,751 options issued under the Option Plan representing 4.2% of the issued and outstanding Common Shares of Knight.

The material features of the Omnibus Equity Incentive Plan are summarized below.

Administration

The Omnibus Equity Incentive Plan is administered by the Board. The Board will determine which directors, officers, eligible employees or consultants of Knight or its affiliates are eligible to receive awards under the Omnibus Equity Incentive Plan. In addition, the Board will interpret the Omnibus Equity Incentive Plan and may adopt, amend or rescind any administrative rules, regulations, procedures and guidelines relating to the Omnibus Equity Incentive Plan or any awards granted under the Omnibus Equity Incentive Plan, as it deems appropriate.

Except as otherwise required by law, the Board may, from time to time, delegate powers conferred on the Board under the Omnibus Equity Incentive Plan to the Compensation, Corporate Governance and Nominating Committee (the "CCGNC") (or such other committee as the Board determines necessary, from time to time). In such event, the CCGNC will exercise the powers delegated to it by the Board in the manner and on such terms authorized by the Board, and all decisions made, or actions taken, by the CCGNC arising in connection with the administration of the Omnibus Equity Incentive Plan within its authority are final, conclusive and binding.

Eligibility

All employees and directors of Knight or its designated affiliates are eligible to participate in the Omnibus Equity Incentive Plan. In addition, subject to applicable laws, the Board may determine, at its discretion, which consultants are eligible to participate in the Omnibus Equity Incentive Plan. However, RSUs and PSUs may not be granted to consultants or non-employee directors of Knight or its designated affiliates.

Common Shares Subject to the Omnibus Equity Incentive Plan and Limitation on Awards

The maximum number of Common Shares available for issuance pursuant to the Omnibus Equity Incentive Plan and any other security-based compensation arrangement (including the Option Plan) of Knight subsequent to the date of approval of the Omnibus Equity Incentive Plan by the shareholders shall not exceed a number which is fixed at 10% of the issued and outstanding Common Shares from time to time. Upon approval of the Omnibus Equity Incentive Plan, the total number of Awards (as defined below) issuable under the Omnibus Equity Incentive Plan would be 7,377,196 taking into account options granted as at April 14, 2021 under the Option Plan.

The Omnibus Equity Incentive Plan is also subject to the following limitations: (i) no more than 10% of the outstanding Common Shares may be subject to Awards under the Omnibus Equity Incentive Plan or pursuant to any other security-based compensation arrangements of Knight during any one year period; (ii) no more than 5% of the outstanding Common Shares may be subject to Awards under the Omnibus Equity Incentive Plan or pursuant to any other security-based compensation arrangements of Knight to any one person; (iii) the number of Common Shares issuable to insiders at any time pursuant to all of Knight's security-based compensation arrangements shall not exceed 10% of the outstanding Common Shares on a non-diluted basis and the number of Common Shares to be issued to insiders, within any one-year period, pursuant to all of Knight's security-based compensation arrangements shall not exceed 10% of the outstanding Common Shares on a non-diluted basis; and (iv) the aggregate number of Common Shares reserved for issue to any one service provider of Knight shall not exceed 2% of the total number of Common Shares then outstanding, excluding Common Shares issued to such service provider upon the exercise of stock options over the preceding 12-month period. For purposes of the Plan, "insider", "security-based compensation arrangement" and "service provider" have the meanings set out in the TSX Company Manual.

With respect to awards made under the Omnibus Equity Incentive Plan, if for any reason Common Shares subject to issuance on the exercise of stock options granted under the Plan are not issued, for reasons including the termination, expiration or cancellation, such Common Shares will become available for additional grants under the Plan. If any RSUs, PSUs or DSUs granted under the Plan expire, terminate or are cancelled for any reason without being settled in the form of Common Shares issued from treasury, such Common Shares will become available for additional grants under the Omnibus Equity Incentive Plan.

The Plan is considered an "evergreen" plan, since the Awards which have been exercised shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Common Shares increases.

Types of Awards

"Awards" under the Omnibus Equity Incentive Plan include stock options, RSUs, PSUs and DSUs. These awards are discussed in more detail below.

Stock Options

The Board may grant stock options to any participant under the Omnibus Equity Incentive Plan at any time. The exercise price for stock options will be determined by the Board, but may not be less than the market value of a Share (being, on any particular day, the volume weighted average trading price of a Share on the TSX for the five (5) preceding days on which Common Shares were traded, or, in the event that the Common Shares are not listed and posted for trading on the TSX, on any other stock exchange as selected by the Board for these purposes, and, in the event such Common

Shares are not listed and posted for trading on any stock exchange, the fair market value of such Common Shares as determined by the Board in its discretion) (the “**Market Value**”) on the date the stock option is granted, except in circumstances where the stock option is granted in exchange for another stock option, subject to TSX approval. It is anticipated that stock options will vest and become exercisable as to one quarter of the stock option on each anniversary of the date of grant for the four years following the date of grant, unless otherwise determined by the Board and specified in such participant’s option agreement. Stock options must be exercised within a period fixed by the Board that may not exceed ten (10) years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until ten (10) business days after the end of the blackout period.

The Plan provides that a participant may, rather than exercise any stock option which such participant is entitled to exercise under the Plan, elect to surrender such stock option by giving irrevocable notice in writing of termination of such stock option, in whole or in part, and requesting Knight, in consideration for such surrender, to issue to the Participant that number of Common Shares, disregarding fractions, which, when multiplied by the Market Value have a value equal to the number of stock options terminated multiplied by the difference between the Market Value and the exercise price per Common Share to which the stock option so terminated relates.

The Omnibus Equity Incentive Plan also provides for earlier termination of stock options on the occurrence of certain events, including but not limited to, termination of a participant’s employment.

Restricted Share Units

The Board may grant RSUs to any participant (other than non-employee directors and consultants) under the Omnibus Equity Incentive Plan at any time. The terms and conditions of grants of Share Units, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such participant’s RSU agreement. One (1) RSU is equivalent to (1) Share.

An RSU Account will be maintained for each participant and each notional grant of RSUs, as granted to such participant from time to time, will be credited to such participant’s account. RSUs that fail to vest with respect to a participant, or that are paid out to the participant are cancelled and will be removed from such participant’s account.

Upon the vesting and settlement of RSUs, Knight is entitled to elect, at Knight’ sole discretion, to settle vested RSUs for their cash equivalent, Common Shares or a combination thereof. For purposes of determining the cash equivalent of RSUs on settlement, such calculation will be made on the settlement date based on the Market Value on the settlement date multiplied by the number of vested RSUs in the participant’s notional RSU Account. For the purposes of determining the number of Common Shares from treasury to be issued and delivered to a participant upon settlement of RSUs, such calculation will be made on the settlement date based on the whole number of Common Shares equal to the whole number of vested RSUs then recorded in the participant’s notional RSU Account. If an RSU would otherwise expire during a blackout period, the term of such RSU shall automatically be extended until ten (10) business days after the end of the blackout period, however, in all cases, RSUs shall expire and be settled by no later than December 31st of the third calendar year commencing after the date of award.

Performance Share Units

The Board may grant PSUs to any participant (other than non-employee directors and consultants) under the Omnibus Equity Incentive Plan at any time. The terms and conditions of grants of PSUs, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such participant’s PSU agreement. PSUs are subject to the attainment of performance goals and may become vested PSUs based on a multiplier, which may be greater or less than 100%, subject to such percentage being no greater than 300%. A PSU account will be maintained for each participant and each notional grant of PSUs, as granted to such participant from time to time, will be credited to such participant’s account. PSUs that fail to vest with respect to a participant, or that are paid out to the participant are cancelled and will be removed from such participant’s account.

Upon the vesting and settlement of PSUs, Knight is entitled to elect, in Knight's sole discretion, to settle vested PSUs for their cash equivalent, Common Shares or a combination thereof. For purposes of determining the cash equivalent of PSUs on settlement, such calculation will be made on the settlement date based on the Market Value on the settlement date multiplied by the number of vested PSUs in the participant's notional PSU account. For the purposes of determining the number of Common Shares from treasury to be issued and delivered to a participant upon settlement of PSUs, such calculation will be made on the settlement date based on the whole number of Common Shares equal to the whole number of vested PSUs then recorded in the participant's notional PSU account. If a PSU would otherwise expire during a blackout period, the term of such Share Unit shall automatically be extended until ten (10) business days after the end of the blackout period, however, in all cases, Share Units shall expire and be settled by no later than December 31st of the third calendar year commencing after the date of award.

If the performance goals in respect of the vesting of PSUs determined by the Board at the time of granting the award with respect to a fiscal year are not met during such fiscal year, the PSUs which were scheduled to vest at the end of such fiscal year shall expire. Performance goals may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board which may be measured over a specified period and may have a multiplier effect based on the level of achievement.

DSUs

The Board may grant DSUs to any DSU Participant (being a non-employee director of Knight) under the Omnibus Equity Incentive Plan at any time. In addition, subject to Board approval, a DSU Participant may elect, once each fiscal year, to be paid up to 100% of his or her annual board retainer (including any committee fees, attendance fees and retainers to committee chairs) in the form of DSUs with the balance, if any, being paid in cash in accordance with Knight's regular practices. A DSU Participant is entitled to terminate his or her participation in the Plan.

One (1) DSU is equivalent to one (1) Share. Fractional DSUs are permitted under the Plan. The number of DSUs granted at any particular time pursuant to the Plan will be calculated by: (a) in the case of an elected amount by a DSU Participant, dividing (i) the dollar amount of the elected amount by (ii) the Market Value of a Share on the applicable award date; or (b) in the case of a grant of DSUs, dividing (i) the dollar amount of such grant by (ii) the Market Value of a Share on the date of grant. Knight shall maintain a notional account for each DSU Participant.

All DSUs recorded in a participant's notional account will vest on the DSU Termination Date, being the day that the DSU Participant ceases to be a director of Knight for any reason.

Upon the settlement of DSUs, the number of Common Shares covered by the DSUs will be issued from treasury by Knight as fully paid non-assessable Common Shares based on the whole number of Common Shares equal to the whole number of DSUs then recorded in the DSU Participant's notional account (fractions of Common Shares will be settled in cash). If a DSU Participant gives notice to Knight of its election to receive cash pertaining to a DSU, Knight, with the approval of the Board, may agree to pay an amount in cash equal to the aggregate Market Value of the Common Shares as at the DSU Termination Date to be issued in place of issuing to the DSU Participant Common Shares under the DSU.

Awards Granted under the Plan

As of the date hereof, no specific awards have been granted or are contemplated under the Omnibus Equity Incentive Plan. In addition, the exact types and amounts of any future awards to be made to any eligible participants pursuant to the Omnibus Equity Incentive Plan are not presently determinable. As a result of the discretionary nature of the Omnibus Equity Incentive Plan, it is not possible to state who the participants in the Omnibus Equity Incentive Plan will be in the future or the number of Options, RSUs, PSUs or DSUs to be received by a person or group.

Termination of Employment

Resignation

Unless otherwise permitted by the Board, upon the resignation of a participant as an employee, director or consultant from Knight or a designated affiliate, all rights, title and interest in awards that are unvested on the date notice of resignation is delivered to Knight will be forfeited. Stock options that have vested as of the date notice of resignation is delivered to Knight may be exercised until the earlier of (i) the end of the exercise period and (ii) thirty (30) days after the date notice of resignation is delivered to Knight, after which time all stock options expire.

Termination for Serious Reason

Unless otherwise permitted by the Board, upon termination of a participant's employment or service with Knight or a designated affiliate for a serious reason (as such term is interpreted pursuant to Article 2094 of the Quebec Civil Code), all rights, title and interest in all the participant's awards granted under the Omnibus Equity Incentive Plan, whether vested or unvested at the date of termination, will be forfeited.

Termination for cause

Unless otherwise permitted by the Board, upon termination of a participant's employment or service with Knight or a designated affiliate for cause all rights, title and interest in awards that are unvested as of the date of termination will be forfeited. The participant shall have the right to exercise vested awards for thirty (30) days following the date of termination, after which all rights, title and interest shall be forfeited.

Termination without cause

Unless otherwise permitted by the Board, upon termination of a participant's employment or service with Knight or a designated affiliate without cause or such participant resigns because he or she has been constructively dismissed: (i) all of the participant's stock options which have vested may be exercised until the earlier of the expiry date of such stock options or ninety (90) days after the date of termination, after which all stock options expire; (ii) a participant's RSUs that have not vested will vest, subject to the Board's approval, on the basis of a pro rata portion of the participant's RSUs that are scheduled to vest on the next scheduled vesting date set forth in such participant's RSU agreement, based on the number of days that have elapsed between the date on which the award was granted and the date of termination, and such RSUs will be settled on the next scheduled vesting date set forth in the participant's RSU agreement; and a participant's PSUs that have not vested will vest in the normal course for a period of 90 days extending from the end of the fiscal year in which the date of termination occurred (the "**90 Day Period**"). Subject to the Board's approval, any PSUs which do not vest in the normal course during the 90 Day Period will vest pro rata upon the date of termination to take into account only the period that has elapsed between the date the award was granted and the date of termination, provided that the performance goals are satisfied in respect of the period in which termination of employment occurs.

Termination due to death, disability or retirement

Unless otherwise permitted by the Board, upon a participant's cessation of employment or service with Knight or a designated affiliate as a result of death, disability or retirement of the participant, all of the participant's stock options that would vest in the one year period following the date of termination will vest immediately prior to the date of termination and the participant (or his or her legal representative, as applicable) may exercise such stock options and any stock options that had vested as of the date of termination for the one year period following the date of termination, after which time all stock options expire. RSUs and PSUs will be treated in the same manner as when a participant is terminated without cause.

Adjustments

In the event of (i) any change in Knight's capital structure, (ii) any payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), (iii) any other change made in the capitalization of Knight or (iii) a corporate transaction, such as an amalgamation, arrangement, combination, spin-off or other reorganization involving Knight, that, in the opinion of the Board would warrant the amendment or replacement of any existing awards (collectively, the "**Adjustment Events**"), the Omnibus Equity Incentive Plan provides for appropriate adjustments in the number or type of Common Shares that may be acquired upon the exercise of stock options, the exercise price of outstanding stock

options or the number of RSUs, PSUs or DSUs in the participant's account (collectively, the "Adjustments"), as necessary in order to preserve proportionately the rights and obligations of the participants under the Omnibus Equity Incentive Plan.

In the event that the Board determines that the Adjustments would not preserve proportionately the rights and obligations of the participants, or the Board otherwise determines is appropriate, the Board may permit the vesting and exercise, as applicable, of any outstanding stock options that are not otherwise vested and the cancellation of any outstanding stock options which are not exercised within any specified period. Such vesting or cancellation, as the case may be, will be effective no later than the business day prior to the date such Adjustment Event is consummated.

Change of Control

In the event of a change of control of Knight, the Board may accelerate the expiry of stock options granted under the Omnibus Equity Incentive Plan to the business day immediately following the date on which such change of control is consummated, so long as the Board accelerates the vesting of the stock options prior to the date on which the change of control is consummated and Knight provides notice of accelerated vesting and expiry to all participants not less than ten (10) business days prior to the date on which such change of control is consummated.

With respect to RSUs and DSUs, in the event of a change of control of Knight, the Board has the authority to take all necessary steps to ensure the preservation of the economic interests of the participants in, and to prevent the dilution or enlargement of, any RSUs or PSUs.

In addition, in the event of a change of control of Knight, for each stock option with an exercise price greater than the consideration offered in connection with any such transaction, the Board may in its discretion elect to cancel such stock option without any payment to the participant holding such option.

Amendment and Termination

The Board may at any time amend, suspend or terminate the Omnibus Equity Incentive Plan, subject to applicable law that requires the approval of shareholders or any governmental or regulatory body, provided that no such action may be taken that adversely affects or alters any rights of a participant under any award previously granted in a material manner without the consent of such affected participant or unless such action is permitted by the plan or the award agreement relating to such award.

The Board may, in its discretion and without approval of the shareholders, make changes to the Omnibus Equity Incentive Plan or any award that do not require the approval of shareholders, which may include but are not limited to: (i) any amendment of a "housekeeping" nature, including without limitation to clarify the meaning of an existing provision of the plan or any agreement, correct or supplement any provision of the plan that is inconsistent with any other provision of the plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the plan regarding administration of the plan; (ii) a change the vesting provisions of the plan, any award agreement and any award granted under the plan; (iii) a change the provisions governing the effect of termination of a participant's employment, contract or office; (iv) a change to accelerate the date on which any award may be exercised under the plan; or (v) an amendment of the plan or an award as necessary to comply with law or the requirements of any stock exchange upon which the securities of Knight are then listed.

Notwithstanding the foregoing or any other provision of the plan, shareholder approval is required for the following plan amendments: (i) any increase in the maximum number of Common Shares that may be issuable from treasury pursuant to awards granted under the plan; (ii) any reduction in the exercise price of a stock option benefitting an insider of Knight; (iii) any extension of the expiry date of an award benefitting an insider of Knight, except in the case of an extension due to a blackout period; (iv) any increase in the maximum number of awards that may be issuable to insiders of Knight and associates of such insiders at any time; and (v) any amendment to the amendment provisions of the Plan.

Assignment

Except as required by law, the rights of a participant under the Omnibus Equity Incentive Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of such participant.

Ordinary Resolution

To be effective, the resolution approving the Omnibus Equity Incentive Plan must be approved by not less than a simple majority of the votes cast by holders of Common Shares present in person or represented by proxy and entitled to vote at the meeting of the shareholders on May 13, 2021 (the “**Meeting**”). If the shareholders do not approve the adoption of the Omnibus Equity Incentive Plan, the Omnibus Equity Incentive Plan will not be implemented, but Knight reserves the right to adopt such other compensation plans and programs as it deems appropriate and in the best interests of Knight.

The persons named in the accompanying form of proxy will, in the absence of specifications or instructions on the form of proxy, vote FOR the adoption of the Omnibus Equity Incentive Plan.

The text of the ordinary resolution to be voted on at the Meeting by the Shareholders is set forth below.

“**WHEREAS** the board of directors of Knight Therapeutics Inc. adopted on April 14, 2021 the Knight Omnibus Equity Incentive Plan which does not have a fixed maximum number of common shares of Knight issuable thereunder;

AND WHEREAS there will be reserved for issuance under the Knight Omnibus Equity Incentive Plan common shares of Knight representing up to 10% of the aggregate number of common shares of Knight as are issued and outstanding from time to time;

AND WHEREAS the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved by shareholders every three years;

BE IT RESOLVED as an ordinary resolution of the holders of common shares of Knight that:

- subject to approval of the Toronto Stock Exchange and all other applicable regulatory authorities, the Knight Omnibus Equity Incentive Plan and the reservation for issuance thereunder of up to 10% of the aggregate number of common shares of Knight as are issued and outstanding from time to time, be and is hereby approved and adopted, in the form attached to the management information circular of Knight dated April 14, 2021;
- Knight have the ability to continue granting awards under the Knight Omnibus Equity Incentive Plan until May 13, 2024, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought;
- any one director or officer of Knight, acting alone, be and is hereby authorized, for and on behalf of Knight, to execute or cause to be executed, and to deliver or cause to be delivered, all such documents and filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

THE BOARD BELIEVES THAT THE ADOPTION OF THE OMNIBUS EQUITY INCENTIVE PLAN IS IN THE BEST INTERESTS OF KNIGHT. THEREFORE, THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ORDINARY RESOLUTION APPROVING THE OMNIBUS EQUITY INCENTIVE PLAN.

EXTENSION OF OPTIONS

The Corporation wishes to extend the term of certain options held by its executive officers, directors and employees (the “**Option Term Extension**”). The rules of the Toronto Stock Exchange require that (i) any extension of the term of options benefitting an insider be approved by shareholders pursuant to Section 613(i)ii) of the TSX Company Manual (the “**TSX Manual**”), and (ii) the votes of securities held directly or indirectly by insiders benefitting directly or indirectly from such extension be excluded.

Each of the individuals listed in the table below holds options that are scheduled to expire as set forth in the table below, and it is proposed that the expiry date of such options be extended. Further, the table below details the options proposed to be subject to the Option Term Extension. The Option Term Extension is intended to deal with the unprecedented impact of the COVID-19 pandemic and allow option holders to exercise their options after the end of the pandemic, and for employee retention purposes. Accordingly, the Corporation’s shareholders are being asked to approve the Option Term Extension in the manner set forth below:

Option holder	Grant Date	Number of Options	Exercise Price	Market Price ⁽¹⁾	Current Expiry Date	Amended Expiry Date
Jonathan Ross Goodman	June 2, 2014	1,186,470	\$5.65	\$5.12	June 2, 2021	June 2, 2024
James C. Gale	June 2, 2014	20,000	\$5.65	\$5.12	June 2, 2021	June 2, 2024
Robert N. Lande	June 2, 2014	20,000	\$5.65	\$5.12	June 2, 2021	June 2, 2024
Undisclosed Employee #1	June 2, 2014	750	\$5.65	\$5.12	June 2, 2021	June 2, 2024
Amal Khouri	August 25, 2014	85,000	\$5.20	\$5.12	August 25, 2021	August 25, 2024
Undisclosed Employee #2	September 10, 2014	20,000	\$6.00	\$5.12	September 10, 2021	September 10, 2024
Undisclosed Employee #3	November 24, 2014	7,500	\$6.69	\$5.12	November 24, 2021	November 24, 2024

Note:

(1) This represents the closing price of the Corporation’s common shares on the TSX on the Record Date.

Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form in favour of the Option Extension Resolution (as defined below). The following is the text of the Option Extension Resolution to be considered at the Meeting:

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

1. THAT the following changes to the expiry dates of the options granted to the individuals listed in the table below under the Corporation’s Stock Option Plan, as amended from time to time, are hereby approved:

Option holder	Grant Date	Number of Options	Exercise Price	Current Expiry Date	Amended Expiry Date
Jonathan Ross Goodman	June 2, 2014	1,186,470	\$5.65	June 2, 2021	June 2, 2024
James C. Gale	June 2, 2014	20,000	\$5.65	June 2, 2021	June 2, 2024

Option holder	Grant Date	Number of Options	Exercise Price	Current Expiry Date	Amended Expiry Date
Robert N. Lande	June 2, 2014	20,000	\$5.65	June 2, 2021	June 2, 2024
Undisclosed Employee #1	June 2, 2014	750	\$5.65	June 2, 2021	June 2, 2024
Amal Khouri	August 25, 2014	85,000	\$5.20	August 25, 2021	August 25, 2024
Undisclosed Employee #2	September 10, 2014	20,000	\$6.00	September 10, 2021	September 10, 2024
Undisclosed Employee #3	November 24, 2014	7,500	\$6.69	November 24, 2021	November 24, 2024

2. THAT any director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to take all actions and to execute all documents as may be desirable to give effect to this resolution (together, the “**Option Extension Resolution**”).”

THE BOARD BELIEVES THAT THE ADOPTION OF THE OPTION EXTENSION RESOLUTION IS IN THE BEST INTERESTS OF KNIGHT. THEREFORE, THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE OPTION EXTENSION RESOLUTION.

Pursuant to Section 613(i) of the TSX Manual, the Option Extension Resolution must be approved by a majority of the votes cast at the Meeting by all holders of Common Shares present or represented by proxy at the Meeting, other than the Common Shares held directly or indirectly by Jonathan Ross Goodman, James C. Gale, Robert N. Lande and Amal Khouri.

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 securityholders	5,298,806	\$7.50	7,705,128
Stock option compensation plans not approved by securityholders	-	-	-
Total	5,298,806	\$7.50	7,705,128

As at December 31, 2020, 5,298,806 options were outstanding under the Option Plan and the option plan that was in place prior to the adoption of the Option Plan, representing 4.07% percent of the issued and outstanding Common Shares. As at December 31, 2020, 7,705,128 options remained available for grant under the Option Plan, representing 5.9% percent of the issued and outstanding Common Shares.

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
2018	0.5%
2019	0.6%
2020	0.7%

ESPP

The following table provide the number of Common Shares issued and available for future issuances under the ESPP as at December 31, 2020. 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 securityholders	160,016	\$7.53	1,140,377
ESPP compensation plans not approved by securityholders	-	-	-
Total	160,016	\$7.53	1,140,377

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table indicates aggregate outstanding indebtedness to the Corporation of its Directors and NEOs as at April 14, 2021:

Aggregate Indebtedness (\$) ⁽¹⁾		
Purpose	To the Corporation of its Subsidiaries	To Another Entity
Purchase of securities	375,000	-
All other indebtedness	-	-
Total	375,000	-

⁽¹⁾ Indebtedness does not include interest on the indebtedness which was charged at 1% per annum throughout the 2020 fiscal year

The following table details the indebtedness to the Corporation of its Directors and NEOs with respect to the 2020 fiscal 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 2020 Fiscal Year (\$) ⁽¹⁾	Amount Outstanding as at March 31, 2021 (\$) ⁽¹⁾	Financially Assisted Securities Purchases During the 2020 Fiscal Year (#)	Amount Forgiven During the 2020 Fiscal Year (\$)
Amal Khouri <i>VP Business Development</i>	Lender	Securities Purchased	375,000	375,000	-	-

⁽¹⁾ Indebtedness does not include interest on the indebtedness which was charged at 1% per annum throughout the 2020 fiscal year.

The indebtedness to the Corporation listed in the table above (collectively, the "Loans") arose as part of the (i) Corporation's bought deal private placement of special warrants that took place on March 19, 2014 (each special warrant entitled the holder thereof to receive an equivalent number of Common Shares), (ii) the Corporation's bought deal public offering of Common Shares that took place on May 27, 2016, and, (iii) the Corporation's bought deal public offering 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

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, 2020 to December 31, 2020.

The Loans must be repaid at the earlier of when (i) the Borrower sells the Common Shares held 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 policies is limited to \$15,000,000 in aggregate for each policy year. There is no deductible for any claim made by a director or officer under the policies.

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* and National Policy 58-201 – *Corporate Governance Guidelines*, 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 the CCGNC.

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 Janice Murray.

The Audit Committee met six times with respect to the 2020 fiscal 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 fiscal year ended December 31, 2020.

Compensation, Corporate Governance and Nominating Committee

The CCNGC is presently comprised of three independent Directors. The chair of the CCNGC is Michael J. Tremblay and the other two members are Robert N. Lande and Janice Murray. The principal functions of the CCNGC 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 CCNGC'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; and
- 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 fiscal year ended December 31, 2020, the CCNGC met once to discuss compensation levels for NEOs and once to discuss Board nominations for the Meeting.

AUDIT COMMITTEE INFORMATION

Reference is made to the Annual Information Form (Schedule "B") of the Corporation for the fiscal year ended December 31, 2020 for disclosure of the information relating to the Audit Committee required under Form 52-110F1. A copy of this document can be found under the Corporation's profile on SEDAR at www.sedar.com.

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 under the Corporation's profile on SEDAR at www.sedar.com. Additional copies may be obtained without charge upon request to the Corporation's Secretary at 3400 De Maisonneuve Blvd. W., Suite 1055, Montreal, Québec 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.

FRENCH VERSION OF INFORMATION CIRCULAR

A French version of this Information Circular is or will be made available under the Corporation’s profile on SEDAR at www.sedar.com prior to the Meeting. Une version française de la présente circulaire d’information de la direction sera disponible sous le profil de la société sur SEDAR à l’adresse www.sedar.com avant l’assemblée.

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, Québec

April 14, 2021

(s) James C. Gale

James C. Gale
Chairman of the Board of Directors

Director
New York, New York

April 14, 2021

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*, as discussed under "Audit Committee Information" above.

Disclosure Requirements under NI 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 of the Corporation (a "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
Michael J. Tremblay
Nicolás Sujoy
Janice Murray

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, Chief Executive Officer of the Corporation ("CEO"), on the basis that he is an executive officer of the Corporation and owns more than 10% of the Corporation's Common Shares.

Samira Sakhia, President and Chief Operating Officer ("COO") of the Corporation, 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 five of seven 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. and Hyloris Pharmaceuticals SA.

- 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 2020, the independent Directors met twice 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 the current 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 2020 is as follows:

Director	Meetings before June 25, 2020	Meetings on or after June 25, 2020
James C. Gale	4 of 4 meetings	7 of 7 meetings
Jonathan Ross Goodman	4 of 4 meetings	7 of 7 meetings
Samira Sakhia	4 of 4 meetings	7 of 7 meetings
Robert N. Lande	4 of 4 meetings	7 of 7 meetings
Michael Tremblay	4 of 4 meetings	6 of 7 meetings
Nicolás Sujoy ¹	Not Applicable	7 of 7 meetings
Janice Murray ¹	Not Applicable	7 of 7 meetings
Sylvie Tendler ²	4 of 4 meetings	Not Applicable
Nancy Harrison ²	4 of 4 meetings	Not Applicable
Kevin Cameron ²	3 of 4 meetings	Not Applicable

¹ Nicolás Sujoy and Janice Murray joined the Board on June 25, 2020.

² Ms. Tendler, Ms. Harrison and Mr. Cameron ceased to act as Board members on June 25, 2020.

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; and
- 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 the Corporation's profile on SEDAR at www.sedar.com.

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, 2020 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 such position's description is to "promote a corporate culture that fosters 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 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 CCGNC is “independent” within the meaning of NI 58-101.

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

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 officer 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 CCGNC is “independent” within the meaning of NI 58-101.

The CCGNC is responsible for setting and reviewing the compensation paid to the Corporation’s executive 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. In 2020, the Corporation has retained services of Mercer (Canada) Ltd. as an independent consultant to conduct competitive reviews and assessments of the Corporation’s executive compensation program and recommend future strategies.

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 of the Board 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, 2020.

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 the Board 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, Indigenous Peoples, Members of Visible Minorities and Persons with Disabilities 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.**

Corporations governed by the *Canada Business Corporations Act* with publicly traded securities, such as the Corporation, are required to provide shareholders with information on the corporation's policies and practices related to diversity on the board of directors and within senior management and the number and percentage of members of the board and of senior management who are women, Indigenous peoples (First Nations, Inuit and Métis) ("**Indigenous peoples**"), members of visible minorities and persons with disabilities.

Knight's Board recognizes that diversity and increased visibility of women, as well as other minorities, including Indigenous peoples, members of visible minorities and persons with disabilities, on the Board and at the senior level of the Corporation 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 CCGNC, 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 (including Indigenous peoples and members of visible minorities), geographic background and disabilities; 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, business background and experience.

12) Consideration of the Representation of Women, Indigenous Peoples, Members of Visible Minorities and Persons with Disabilities 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, Indigenous peoples, members of visible minorities and persons with disabilities 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, Indigenous peoples, members of visible minorities and persons with disabilities 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, Indigenous Peoples, Members of Visible Minorities and Persons with Disabilities 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 the 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, 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 (including Indigenous peoples and members of visible minorities), ethnicity, sexual identity, age, cultural background, religion and disabilities.

To encourage diversity in leadership, Knight actively considers diversity, including the representation of women, Indigenous peoples, members of visible minorities and persons with disabilities, when identifying qualified candidates for leadership opportunities. This commitment is reflected in our practices, including a long history of representation of women, members of visible minorities and persons with disabilities on our executive leadership team. Currently, two out of four executive officers, or 50%, are women. Furthermore, diversity is highlighted with two executive officers, or 50%, from religious minority groups as well as two

executive officers, or 50%, who are part of the visible minority of the Canadian population and one executive officer, or 25%, with a disability.

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, Indigenous Peoples, Members of Visible Minorities and Persons with Disabilities 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, Indigenous peoples, members of visible minorities and persons with disabilities 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, Indigenous peoples, members of visible minorities and persons with disabilities 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, Indigenous Peoples, Members of Visible Minorities and Persons with Disabilities 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, Indigenous peoples, members of visible minorities and persons with disabilities.

Currently, two out of seven members of the Board are women (29%), none are Indigenous peoples (0%), one out of seven are members of visible minorities (14%) and one out of seven are persons with disabilities (14%).

Two out of seven individuals nominated for election as Directors are women (29%), none are Indigenous peoples (0%), one out of seven are members of visible minorities (14%) and one out of seven are persons with disabilities (14%).

- 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.

Currently, two out of five executive officers are women (40%), none are Indigenous peoples (0%), two out of five are members of visible minorities (40%) and one out of five are persons with disabilities (20%).

Title	#Visible Minority	% Visible Minority %	# Female	% Female	# Disability	% Disability
Regional/Global Managers ⁽¹⁾	2	10%	8	40%	n/a	n/a
Executive	2	40%	2	40%	1	20%
Board ⁽²⁾	1	14%	2	29%	1	14%

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

⁽²⁾ Members of the Board of Directors

SCHEDULE "B"

**KNIGHT THERAPEUTICS INC.
OMNIBUS EQUITY INCENTIVE PLAN**

April 14, 2021

Approved by the Board of Directors on April 14, 2021



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**KNIGHT THERAPEUTICS INC.
OMNIBUS EQUITY INCENTIVE PLAN**

Section 1 Establishment, Purpose, and Duration

(1) Establishment of the Plan

Knight Therapeutics Inc. (“**Knight**” or the “**Company**”), a corporation incorporated under the laws of Canada, hereby establishes an incentive compensation plan to be known as the 2021 Omnibus Equity Incentive Plan (as the same may be amended from time to time in accordance with its terms, the “**Plan**”). The Plan permits the grant of Options to purchase common shares, Restricted Share Units, Deferred Share Units and Performance Share Units. The Plan was approved by the Board (as defined below) on April 14, 2021, subject to approval by the shareholders of the Company. The Plan shall become effective on the date approved by the Board (the “**Effective Date**”). The Plan shall commence as of the Effective Date, and shall remain in effect until terminated by the Board pursuant to Section 10(10) hereof.

(2) Purposes

The purposes of the Plan are: (i) to promote a significant alignment between officers and employees of the Company and its affiliates (as defined below) and the long term growth objectives of the Company; (ii) to associate a portion of participating employees’ compensation with the performance of the Company over the long term; and (iii) to attract, motivate and retain the key employees to drive the business success of the Company and its subsidiaries.

(3) Successor Plan

The Plan shall in respect of Options serve as the successor to the Company’s current Stock Option Plan which was adopted by the Board on March 15, 2017 and approved at the Annual General Meeting of Shareholders on May 9, 2017 (the “**Predecessor Plan**”), and no further awards shall be made under the Predecessor Plan from and after the Effective Date of the Plan. Each Option granted under the Predecessor Plan shall continue to be governed by the terms and conditions of such plan and the instrument and the instrument as amended, if applicable, evidencing such grant.

Section 2 Interpretation

(1) Definitions

When used herein, unless the context otherwise requires, the following terms have the following meanings, respectively:

“**affiliate**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*.

“**Annual Board Retainer**” means the annual retainer paid by the Company to a director in a fiscal year for service on the Board, together with Board committee fees, attendance fees and retainers to committee chairs.

“**Applicable Withholding Taxes**” has the meaning set out in Section 3(4).

“**Award**” means an Option, RSU, PSU or DSU granted under the Plan.

“**Award Agreement**” means an Option Agreement, PSU Agreement, RSU Agreement or DSU Agreement pursuant to which an Award is granted, as the context requires.

“**Award Date**” means the date the Board grants an Award under the Plan.

“Blackout Period” means any period imposed by the Company, during which specified individuals, including insiders of the Company, is prohibited from trading in the Company's securities pursuant to securities regulatory requirements or the Company's written policies (including for greater certainty any period during which specific individuals are restricted from trading because they have material non-public information), but does not include any period when a regulator has halted trading in the Company's securities.

“Board” means the board of directors of the Company, unless a Committee has been constituted and the Committee has been charged with the responsibility of administering the Plan, in which case all references in the Plan to the Board shall be deemed to be references to the Committee.

“Business Day” means any day, other than a Saturday, Sunday or statutory holiday in the province of Québec, on which commercial banks in Montréal, Québec are open for business.

“Cashless Exercise” has the meaning set out in Section 4(5)(b).

“Cause” means a determination by senior management in respect an Employee, or by the Board in respect of an Employee that is part of senior management, as the case may be, to terminate an Employee due to such Employee's underperformance but which does not constitute Serious Reason as defined herein.

“Change of Control” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company's then issued and outstanding securities entitled to vote in the election of directors of the Company;
- (b) there is consummated an arrangement, amalgamation, merger or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Company's consolidated assets to a Person other than a Person that was an affiliate of the Company at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exchange, license or other disposition;
- (d) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind-up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the

commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings of shareholders of the Company remain substantially the same following the re-arrangement); or

- (e) individuals who, as of the date hereof, are members of the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of the Plan, be considered as a member of the Incumbent Board

“**Committee**” means the committee of the Board responsible for recommending to the Board the compensation of the key employees, Directors and Consultants.

“**Company**” means Knight Therapeutics Inc. and any of its successors.

“**Consultant**” has the meaning set out in National Instrument 45-106 - Prospectus and Registration Exemptions as amended from time to time.

“**Deferred Share Unit**” or “**DSU**” means a unit designated as a Deferred Share Unit representing the right to receive one Share (or its cash equivalent) in accordance with the terms set forth in the Plan.

“**Director**” means a non-employee member of the Board of Directors of any Participating Entity.

“**Disability**” or “**Disabled**” means any incapacity or inability of a particular Participant, including any physical or mental incapacity, disease or affliction of the Participant as determined by a legally qualified medical practitioner or by a court, which has prevented or which will likely prevent the Participant from performing the essential duties of his position (taking into account reasonable accommodation by the Corporation) for a continuous period of 180 days or for any cumulative period of 270 days in any 360 consecutive day period;

“**DSU Agreement**” means a signed, written agreement between a DSU Participant and the Company, substantially in the form attached as Schedule “E” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a DSU has been granted under the Plan.

“**DSU Election Notice**” means an election notice substantially in the form attached hereto in Schedule “F” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable).

“**DSU Participant**” means a Director of the Company who has been designated by the Company for participation in the Plan and who has agreed to participate in the Plan and to whom Deferred Share Units have or will be granted hereunder.

“**DSU Payment Date**” means, with respect to a Deferred Share Unit granted to a DSU Participant, no later than December 31, of the fiscal year following the fiscal year in which the DSU Termination Date occurred.

“**DSU Settlement Notice**” means a notice, in substantially the form attached hereto in Schedule “G” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable), by the Company electing the desired form of settlement of Deferred Share Units.

“**DSU Termination Date**” of a DSU Participant means, the day that the DSU Participant ceases to be a director and, if applicable, an employee of the Company for any reason.

“Elected Amount” has the meaning set out in Section 8(3)(a).

“Exercise or Surrender Notice” means a notice in writing substantially in the form set out in Schedule “A” hereto signed by a Participant and stating the Participant's intention to exercise or surrender a particular Option.

“Exercise Period” means the period of time during which an Option granted under the Plan may be exercised.

“Exercise Price” means the price at which Shares may be purchased on the exercise of an Option.

“Expiry Date” means:

- (a) in respect of any Option, the tenth (10th) anniversary of its Award Date unless an earlier date is specified by the Board; and
- (b) in respect of any Share Unit, the date specified in the applicable Award Agreement, if any, as the date on which the Share Unit will be terminated and cancelled or, if later or no such date is specified in the applicable Award Agreement, December 31 of the third (3rd) calendar year commencing after the Award Date, in the case of each, subject to extension in the event the Expiry Date occurs during a Blackout Period in which case, but subject to Section 4(5)(b) in respect of Share Units, the Expiry Date shall be extended until 10 Business Days after the end of the Blackout Period.

“Market Value” means, on any particular day, the volume weighted average trading price of a Share on the Toronto Stock Exchange for the five (5) preceding days on which the Shares were traded, or, in the event that such Shares are not listed and posted for trading on the Toronto Stock Exchange, on any other stock exchange as selected by the Board for these purposes. In the event that such Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Shares as determined by the Board in its sole and absolute discretion.

“Option” means a right granted to a Participant to purchase Shares on the terms set out in the Plan.

“Option Agreement” means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “B” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an Option has been granted under the Plan.

“Participant” means an employee, Director or Consultant of a Participating Entity who the Board determines may participate in the Plan (and includes, where appropriate, a DSU Participant).

“Participating Entity” means the Company and any affiliate of the Company which is designated by the Board from time to time.

“Performance Goals” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, a subsidiary of the Company, a division of the Company or a subsidiary of the Company, or an individual, or may be applied to the performance of the Company or a subsidiary of the Company relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Board in its discretion, which may be measured over a specified period;

“Performance Period” means, with respect to PSUs, the period specified by the Board for achievement of any applicable Performance Goals as a condition to Vesting.

“Performance Share Unit” or **“PSU”** means a right granted to a Participant to receive a Share or its cash equivalent

that generally becomes Vested, if at all, following a period of continuous employment and subject to the attainment of Performance Goals and the satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.

“Person” means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in such person's capacity as trustee, executor, administrator or other legal representative.

“Plan” has the meaning set out in Section 1(1).

“Predecessor Plan” has the meaning set out in Section 1(3).

“PSU Account” has the meaning set out in Section 6(3).

“PSU Agreement” means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “C” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a PSU has been granted under the Plan.

“PSU Settlement Date” has the meaning set out in Section 6(5)(a)(i).

“Restricted Share Unit” or **“RSU”** means a right granted to a Participant to receive a Share or its cash equivalent that generally becomes Vested, if at all, following a period of continuous employment and subject to Time Vesting Conditions of the Participant with a Participating Entity.

“Retirement” means resignation in circumstances which the Board, in its discretion, determines is Retirement and on such terms as the Board may specify.

“RSU Account” has the meaning set out in Section 5(3).

“RSU Agreement” means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “D” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an RSU has been granted under the Plan.

“RSU Settlement Date” has the meaning set out in Section 5(4)(a)(i).

“Serious Reason” means any act or failure to act by the Employee constituting a “serious reason” under Article 2094 of the *Quebec Civil Code*;

“Share” means a common share of the Company.

“Share Unit” means either an RSU or a PSU as the context requires.

“Share Unit Settlement Notice” means a notice, in substantially the form attached hereto in Schedule “H” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable), by the Company electing the desired form of settlement of Share Units.

“subsidiary” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Company has an equity interest and is designated by the Plan administrator, from time to time, for purposes of the Plan to be a subsidiary;

“Target Performance” has the meaning set forth in Section 6(4);

“Termination Date” means a Participant's last day of actual and active employment or the end of his or her term as a Director or Consultant, as applicable, and does not include any period of statutory, contractual or reasonable notice or any period of salary continuance or deemed employment.

“Termination Notice” has the meaning set out in Section 8(3)(a).

“Time Vesting Conditions” means any conditions relating to continued service with a Participating Entity for a period of time in respect of the Vesting of Share Units determined by the Board at the time of the Award.

“Vested” means (i) with respect to an Option, that it has become exercisable, and (ii) with respect to Share Units, the applicable Time Vesting Conditions, Performance Goals and/or any other conditions for Vesting in relation to a whole or a percentage of the number of Share Units covered by an Award determined by the Board in connection with each RSU or PSU granted pursuant to the Plan, as the case may be, have been met. **“Vest”** and **“Vesting”** have corresponding meanings.

“Vesting Date” means a date on which the applicable Time Vesting Conditions, Performance Goals for the Performance Period and/or any other conditions for a Share Unit becoming Vested are met.

“Vesting Period” means, with respect to an Award, a period specified by the Board, commencing on the Award Date and ending no later than immediately prior to the Expiry Date.

(2) Interpretation

The Plan is to be interpreted as follows:

- (a) The use of headings is for ease of reference only and does not affect construction or interpretation of the Plan.
- (b) Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.
- (c) References to Sections and Subsections are references to sections and subsections in the Plan, unless otherwise specified.
- (d) All amounts paid or values to be determined under the Plan shall be in Canadian dollars. Values determined in currencies other than Canadian dollars shall be converted into Canadian dollars using the prevailing applicable exchange rates on the day of grant. Any amounts paid in currencies other than Canadian dollars shall be converted from Canadian dollars to such other currency using the applicable prevailing exchange rate on the date preceding such payment.
- (e) Whenever the Board is to exercise discretion in the administration of the terms and conditions of the Plan or any Award, the term “discretion” means the “sole and absolute discretion” of the Board.
- (f) Where the words “including” or “includes” appear in the Plan, they mean “including (or includes) without limitation”.

Section 3 Administration

(1) Administration

The Plan will be administered by the Board and the Board has complete authority, in its discretion, to interpret the provisions of the Plan. In administering and interpreting the Plan, the Board may adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan which the Board determines, in its discretion, are necessary or advisable. The Board's determinations and actions within its authority under the Plan are final, conclusive and binding on the Company, its affiliates and all other Persons.

To the extent applicable, any Awards issued to any U.S. Taxpayer (as defined in Schedule "J") shall be subject to the additional provisions of Schedule "J".

(2) Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee all or any of the powers conferred on the Board under the Plan. In such event, references to the Board mean and include the Committee and the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decisions made or actions taken by the Committee arising out of or in connection with the administration or interpretation of the Plan within its authority under the Plan, are final, conclusive and binding on the Participating Entities and all other Persons.

(3) Eligibility

Participation in the Plan is entirely voluntary.

All employees and Directors of Participating Entities are eligible to participate in the Plan. In addition, and subject to applicable laws, the Board may determine in its discretion which Consultants are eligible to participate in the Plan. However, under no circumstances may grants of RSUs or PSUs be made to Directors or Consultants under the Plan.

Eligibility to participate in the Plan does not confer upon any Person any right to be granted Awards pursuant to the Plan. In addition, no Participant has any claim or right to be granted an Award (including, without limitation, an Award granted in substitution for any Award that has expired pursuant to the terms of the Plan).

(4) Taxes and Other Source Deductions

Notwithstanding any other provision contained herein, the relevant Participating Entity shall be entitled to withhold from any amount payable to a Participant, either under the Plan or otherwise, such amounts as may be necessary so as to ensure that the relevant Participating Entity is in compliance with all applicable withholding tax or other source deduction liabilities relating to the settlement of Awards hereunder (the "**Applicable Withholding Taxes**"). Further, the relevant Participating Entity may elect to settle the cash equivalent amount in installments over the year in which the Award vests in accordance with local employment practices. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified in applicable laws as a result of the Participant's participation in the Plan. The Company shall not be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan and the Participant shall indemnify and save harmless the Company from and against any and all loss, liability, damage, penalty or expense (including legal expense), which may be asserted against the Company or which the Company may suffer or incur arising out of, resulting from, or relating in any manner whatsoever to any tax liability in connection therewith. For greater certainty, unless not required under the *Income Tax Act* (Canada) or any other applicable law, no cash payment will be made nor will Shares be issued until: (a) an amount sufficient to cover the Applicable Withholding Taxes payable on the settlement of Awards (including, for certainty, the exercise of any Options) has been received by the Company (or withheld by the Company as noted above, if applicable); (b) the Participant undertakes to

arrange, in a manner satisfactory to the Board, in its sole discretion, for such number of Shares to be sold as is necessary to raise an amount equal to the Applicable Withholding Taxes, and to cause the proceeds from the sale of such Shares to be delivered to the Company; or (c) the Participant has made other arrangements, satisfactory to the Board, in its sole discretion, to cover the Applicable Withholding Taxes payable on the settlement of Awards (including, for certainty, the exercise of any Options).

(5) Information

Each Participant shall provide the Company with all information the Company requires from that Participant in order to administer the Plan.

(6) Indemnification

Each member of the Board and Committee is indemnified and held harmless by the Company against any cost or expense arising out of any act or omission to act in connection with the Plan to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise.

(7) Governing Law

The Plan and all Award Agreements entered into pursuant to the Plan shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Québec and the federal laws of Canada applicable in that province.

(8) Total Shares Subject to Awards

The maximum number of Shares available for issuance pursuant to the Plan and any other security-based compensation arrangement (including the Predecessor Plan) of the Company subsequent to the date hereof shall not exceed a number which will be fixed at 10% of the issued and outstanding Shares from time to time. In addition, the grant of Awards under the Plan is subject to the following additional limitations:

- (a) no more than 10% of the Company's outstanding issue may be issued under the Plan or pursuant to any other security-based compensation arrangements of the Company in any one (1) year period;
- (b) no more than 5% of the Company's outstanding issue may be issued under the Plan or pursuant to any other security-based compensation arrangements of the Company to any one Person;
- (c) the number of Shares issuable to insiders at any time pursuant to all of the Company's security-based compensation arrangements shall not exceed 10% of the outstanding Shares on a non-diluted basis and the number of Shares to be issued to insiders, within any one (1) year period, pursuant to all of the Company's security-based compensation arrangements shall not exceed 10% of the outstanding Shares on a non-diluted basis; and
- (d) the aggregate number of Shares reserved for issue to any one service provider of the Company shall not exceed 2% of the total number of Shares then outstanding, excluding Shares issued to such service provider upon the exercise of Options over the preceding 12-month period.

For the purposes of the Plan, "insider", "security-based compensation arrangement" and "service provider" have the meanings set out in the TSX Company Manual.

If for any reason, any Shares subject to issuance on the exercise of Options granted under the Plan are not issued, for reasons including the termination, expiration or cancellation of an Option, such Shares will again become available for issuance under the Plan. If any Share Units or DSUs granted under the Plan expire, terminate or are cancelled for any reason without being settled in the form of Shares issued from treasury, such Shares will again become available for issuance under the Plan.

The Plan is considered an “evergreen” plan, since the Awards which have been exercised shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.

(9) Award Agreements

All grants of Awards under the Plan will be evidenced by Award Agreements. Any one officer or director of the Company is authorized and empowered to execute on behalf of the Company and deliver an Award Agreement to a Participant.

Section 4 Options

(1) Grant of Options

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant Options to any Participant, and the Participant shall execute an Option Agreement evidencing the same.

(2) Terms and Conditions of Options

Subject to this Section 4, the Board shall determine the following in its sole discretion with respect to each Option:

- (a) the number of Shares issuable on the exercise of such Option;
- (b) the Exercise Price subject to Section 4 (3);
- (c) the Expiry Date;
- (d) the vesting schedule, if any, and
- (e) such other terms and conditions as the Board may consider appropriate in its sole discretion.

(3) Exercise Price

The Exercise Price under any Option will be as determined by the Board but may not be less than the Market Value of a Share at the Award Date, except where an Option is granted in exchange for another Option, subject to Toronto Stock Exchange approval.

(4) Term of Options

Subject to Section 4(8) and to any accelerated termination pursuant to the Plan, each Option expires on the Expiry Date.

(5) Payment of Exercise Price

- (a) Subject to the provisions of the Plan and any Option Agreement, Options may be exercised by delivery of a fully completed Exercise or Surrender Notice to the Chief Executive Officer and/or Chief Financial Officer of the Company accompanied by payment in full of the applicable Exercise Price and any Applicable Withholding Taxes. The Exercise Price and any Applicable Withholding Taxes may be paid by wire transfer, certified cheque, bank draft or money order payable to the Company.

- (b) A Participant may, rather than exercise any Option which such Participant is entitled to exercise under the Plan, elect to surrender such Option (a “**Cashless Exercise**”) by giving irrevocable notice in writing of termination of such Option, in whole or in part, and requesting the Company in consideration for such surrender to issue to the Participant that number of Shares, disregarding fractions, which, when multiplied by the Market Value have a value equal to the number of Options terminated multiplied by the difference between the Market Value and the exercise price per Share to which the Option so terminated relates.

(6) Issue of Shares

No Shares will be issued or transferred until full payment of the Exercise Price therefor and any Applicable Withholding Taxes have been received by the Company and all conditions to the issue of the Shares have been met. As soon as practicable after receipt of any Exercise or Surrender Notice and full payment of the Exercise Price and the satisfaction of all conditions to the issue of the Shares, the Company will deliver to the Participant a certificate or certificates representing the acquired Shares.

(7) Conditions to Delivery of Shares

The Company's obligation to issue and deliver Shares upon the exercise of any Option is subject to:

- (a) the satisfaction of all requirements under applicable laws in respect thereof and obtaining all approvals the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including shareholder approval, if required; and
- (b) if such Shares are listed on any stock exchange or quotation market in Canada, compliance with the requirements of such stock exchanges or quotation markets.

(8) Extension of Options that Expire During a Blackout Period

If an Option would otherwise expire during a Blackout Period, the term of such Option shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

(9) Effect of Exercise

A Participant shall have no further rights, title or interest with respect to any Option that has been exercised.

Section 5 Restricted Share Units

(1) Grant of RSUs

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant RSUs to any Participant, and the Participant shall execute an RSU Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.

(2) Number of RSUs

- (a) Each RSU Award Agreement shall set forth the type and Award Date of the Share Units evidenced thereby, the number of RSUs subject to such Award, the applicable Vesting conditions, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan.

- (b) The number of RSUs, including fractional RSUs, granted at any particular time pursuant to this Section 5 will be calculated by dividing (i) the amount payment that is to be paid in RSUs, as determined by the Board, by (ii) the greater of (A) the Market Value of a Share on the Award Date; and (B) such amount as determined by the Board in its sole discretion.
- (c) One (1) RSU is equivalent to one (1) Share.

(3) RSU Accounts

An account, called a “**RSU Account**”, shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of Share Units as are received by a Participant from time to time. RSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's RSU Account as of the date on which such RSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

(4) Settlement of RSUs

- (a) Except as otherwise provided in an Award Agreement:
 - (i) all of the Vested RSUs covered by a particular grant and related RSUs may be settled on the first Business Day following their Vesting Date (the “**RSU Settlement Date**”);
 - (ii) the Company is entitled to deliver to the Participant, within 10 Business Days following the RSU Settlement Date, a Share Unit Settlement Notice providing for the method of settlement for the Share Units in respect of any or all Vested Share Units held by the Participant; and
 - (iii) in the Share Unit Settlement Notice, the Company will elect, at the Company’s sole discretion, including with respect to any fractional Share Units, to settle Vested Share Units for their cash equivalent (determined in accordance with Section 5(5)(a)), Shares (determined in accordance with Section 5(5)(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).
- (b) Except as otherwise provided in an Award Agreement, subject to Section 5(4)(c), settlement of Share Units shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:
 - (i) in the case of settlement of RSUs for their cash equivalent, delivery of the cash equivalent to the Participant;
 - (ii) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant’s name on the share register for the Shares; or
 - (iii) in the case of a settlement of RSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a RSU would otherwise expire during a Blackout Period, the term of such RSU shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the RSU Settlement Date (and any subsequent payment with respect thereof) for any RSU granted hereunder be made later than the end of the third calendar year after the first year of a Participant's services in respect of which the RSUs were granted or credited, and any RSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the sole discretion of the Company.

- (c) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of his or her RSUs within 10 Business Days following the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 5(5)(b).

(5) Determination of Amounts

- (a) For the purposes of determining the cash equivalent of RSUs to be made pursuant to Section 5(4)(b)(i) or Section 5(4)(b)(iii), such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of Vested Share Units in the Participant's RSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5(4)(b)(ii) or Section 5(4)(b)(iii), such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then recorded in the RSU Account which the Company desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional RSUs by (ii) the Market Value on the RSU Settlement Date.

Section 6 Performance Share Units

(1) Grant of PSUs

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant PSUs to any Participant, and the Participant shall execute a PSU Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6(6)(a)), upon the achievement of such Performance Goals during such Performance Periods as the Board shall establish.

(2) Number and Type of Share Units

- (a) Each Award Agreement shall set forth the type and Award Date of the PSUs evidenced thereby, the number of PSUs subject to such Award, the applicable Vesting conditions including the Performance Goals to be achieved during any Performance Period, the length of any Performance Period, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan.

- (b) PSUs that are subject to Performance Goals and may become Vested PSUs based on a multiplier, which may be greater or less than 100%, subject to such percentage being no greater than 300%.

(3) PSU Account

An account, called a “**PSU Account**”, shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of PSUs as are received by a Participant from time to time. PSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's PSU Account as of the date on which such PSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

(4) Performance Goals

The Board will issue Performance Goals prior to the Award Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the Performance Goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) (“**Target Performance**”), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

(5) Settlement of PSUs

- (a) Except as otherwise provided in an Award Agreement:
 - (i) all of the Vested PSUs covered by a particular grant and related Share Units may be settled on the first Business Day following their Vesting Date (the “**PSU Settlement Date**”);
 - (ii) the Company is entitled to deliver to the Participant, within 10 Business Days following the PSU Settlement Date, a Share Unit Settlement Notice providing for the method of settlement for the PSUs in respect of any or all Vested Share Units held by the Participant; and
 - (iii) in the Share Unit Settlement Notice, the Company will elect, at the Company's sole discretion, including with respect to any fractional PSUs, to settle Vested Share Units for their cash equivalent (determined in accordance with Section 6(6)(a)), Shares (determined in accordance with Section 6(6)(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).
- (b) Except as otherwise provided in an Award Agreement, subject to Section 6(5)(c), settlement of PSUs shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:
 - (i) in the case of settlement of PSUs for their cash equivalent, delivery of the cash equivalent to the Participant;

- (ii) in the case of settlement of PSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
- (iii) in the case of a settlement of PSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a PSUs would otherwise expire during a Blackout Period, the term of such Share Unit shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the PSU Settlement Date (and any subsequent payment with respect thereof) for any PSUs granted hereunder be made later than the end of the third calendar year after the first year of a Participant's services in respect of which the PSUs were granted or credited, and any PSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the sole discretion of the Company.

- (c) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of his or her PSUs within 10 Business Days following the PSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 6(6)(b).

(6) Determination of Amounts

- (a) For the purposes of determining the cash equivalent of PSUs to be made pursuant to Section 6(5)(b)(i) or Section 6(5)(b)(iii), such calculation will be made on the PSU Settlement Date based on the Market Value on the PSU Settlement Date multiplied by the number of Vested Share Units in the Participant's PSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of PSUs pursuant to Section 6(5)(b)(ii) or Section 6(5)(b)(iii), such calculation will be made on the PSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then recorded in the PSU Account which the Company desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Share Units by (ii) the Market Value on the PSU Settlement Date.

Section 7 Claw-Back Provisions

If the Board determines that a Participant engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes Serious Reason for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Company), that Participant may be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Shares issued or issuable upon redemption or exercise of an Award (including under a Cashless Exercise) or any cash received on redemption

of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the Autorité des marchés financiers (or its successor(s)) of the financial statements required to be restated. The term “proceeds” means, with respect to any sale or other disposition of Shares issued or issuable upon exercise or redemption of an Award, an amount determined appropriate (on an “after-tax” basis taking into account any tax recoupment possible after the claw-back) by the Board to reflect the effect of the restatement on the Company’s financial statements, up to:

- (a) the amount equal to the number of Shares sold or disposed of multiplied by the difference between the Market Value per Share the time of such sale or disposition and the Exercise Price;
- (b) in the case of a Cashless Exercise, the amount equal to the number of Shares sold or disposed of multiplied by the Market Value per Share at the time of such sale or disposition; or
- (c) in the case of a redemption for cash, the total amount received by the Participant in cash.

The Board may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board’s power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Company or its subsidiaries. The amounts which may be clawed-back under this section are a reasonable pre-estimate of the damages which would be suffered by the Company in the event of the misconduct described above by a Participant and shall not be construed as a penalty. If any court or arbitrator determines that any provision contained in this Section 7 is unenforceable because of the duration of the provision or for any other reason, the duration or scope of the provision, as the case may be, shall be reduced so that the provision becomes enforceable and, in its reduced form, the provision shall then be enforceable and shall be enforced.

Section 8 Deferred Share Units

(1) Grant of Deferred Share Units

Subject to this Section 8, the Board may recommend the grant of, from time to time, Deferred Share Units to a DSU Participant. The grant of a Deferred Share Unit shall be evidenced by a DSU Agreement, signed on behalf of the Company. The Company shall maintain a notional account for each DSU Participant, in which shall be recorded the number of Deferred Share Units granted or credited to such DSU Participant. The grant of a Deferred Share Unit to a DSU Participant, or the settlement of a Deferred Share Unit, under the Plan shall neither entitle each DSU Participant to receive nor preclude such DSU Participant from receiving subsequently granted Deferred Share Units.

(2) Equivalence

One (1) Deferred Share Unit is equivalent to one (1) Share. Fractional Deferred Share Units are permitted under the Plan.

(1) Election Notice; Elected Amount.

- (a) Subject to Board approval, a DSU Participant may elect by filing a DSU Election Notice, once each fiscal year, to be paid up to one hundred percent (100%) of his or her Annual Board Retainer in the form of Deferred Share Units (the “Elected Amount”), with the balance being paid in cash in accordance with the Company’s regular practices of paying such cash compensation. In the case of an existing DSU Participant, the election must be completed, signed and delivered to the Company by the end of the fiscal year preceding the fiscal year to which such election is to apply. In the case of a new DSU Participant, the election must be completed, signed and delivered to the Company as soon as possible, and, in any event, no later than 30 days, after the director’s appointment, with such election to be effective on the

first day of the fiscal quarter of the Company next following the date of the Company's receipt of the election until the final day of such fiscal year. For the first year of the Plan, DSU Participants must make such election as soon as possible, and, in any event, no later than 30 days, after adoption of the Plan and the election shall be effective on the first day of the fiscal quarter of the Company next following the date of the Company's receipt of the election until the final day of such fiscal year. If no election is made in respect of a particular fiscal year, the new or existing DSU Participant will be paid in cash in accordance with the Company's regular practices of paying such cash compensation.

- (b) The DSU Election Notice shall, subject to any minimum amount that may be required by the Board, from time to time, designate the percentage of the Annual Board Retainer for the applicable fiscal year that is to be deferred into Deferred Share Units, with the remaining percentage to be paid in cash in accordance with the Company's regular practices of paying such cash compensation.
- (c) In the absence of a designation to the contrary (including delivery of a DSU Election Notice by a DSU Participant requesting that a greater or lesser percentage of his or her Annual Board Retainer be payable in the form of Deferred Share Units relative to the percentage previously elected by such DSU Participant), the DSU Participant's Election Notice shall remain in effect unless otherwise terminated.

(3) Termination Right

- (a) Each DSU Participant is entitled to terminate his or her DSU Election Notice by filing with the Chief Financial Officer of the Company, or such other officer of the Company designated by the Board, a notice electing to terminate the receipt of additional Deferred Share Units in substantially the form of Schedule "I" attached hereto (a "**Termination Notice**"). Such Termination Notice shall be effective as of the date received by the Company.
- (b) Thereafter, any portion of such DSU Participant's Annual Board Retainer payable, and subject to compliance with Section 8(3), all subsequent Annual Board Retainers shall be paid in cash in accordance with the Company's regular practices of paying such cash compensation.

(4) Calculation

The number of Deferred Share Units (including fractional Deferred Share Units) granted at any particular time pursuant to the Plan will be calculated by: (a) in the case of an Elected Amount, by dividing (i) the dollar amount of the Elected Amount allocated to the DSU Participant by (ii) the Market Value of a Share on the applicable Award Date; or (b) in the case of a grant of Deferred Share Units pursuant to Section 8(1), by dividing (i) the dollar amount of such grant by (ii) the Market Value of a Share on the date of grant.

(5) Vesting

All Deferred Share Units recorded in a DSU Participant's Deferred Share Unit notional account shall vest on the DSU Termination Date, unless otherwise determined by the Board at its sole discretion and in compliance with Section 10(10)(f).

(6) Settlement in respect of Deferred Share Units

- (a) In respect of an award of Deferred Share Units granted to a DSU Participant, settlement shall be as soon as practicable following the DSU Termination Date and no later than the DSU Payment Date.

- (b) Within ten (10) Business Days following the DSU Termination Date, the Company shall deliver to the DSU Participant (or where the DSU Participant has died, the legal representative of the DSU Participant) a DSU Settlement Notice providing for the method of settlement for the Deferred Share Units in respect of all Deferred Share Units held by the DSU Participant.
- (c) In the DSU Settlement Notice, the Company will elect, in the Company's sole discretion, including with respect to any fractional Deferred Share Units, to settle the Deferred Share Units for their cash equivalent (determined in accordance with Section 8(7)(a)), Shares (determined in accordance with Section 8(7)(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a DSU Settlement Notice has already been delivered to the DSU Participant).
- (d) Except as otherwise provided in an Award Agreement, subject to Section 8(7), settlement of Deferred Share Units shall take place promptly following deliver of a DSU Settlement Notice and take the form set out in the DSU Settlement Notice (unless otherwise modified by the Company) through:
 - (i) in the case of settlement of Deferred Share Units for their cash equivalent, delivery of the cash equivalent to the DSU Participant;
 - (ii) in the case of the settlement of Deferred Share Units for Shares, delivery of a share certificate to the DSU Participant or the entry of the DSU Participant's name on the share register for the Shares; or
 - (iii) in the case of a settlement of Deferred Share Units for a combination of Shares and cash, a combination of (i) and (ii) above.
- (e) If a DSU Settlement Notice is not received by a DSU Participant in respect of his or her Deferred Share Units within ten (10) Business Days following the DSU Termination Date, settlement shall take the form of Shares issued from treasury as set out in Section 8(7)(b).

(7) Determination of Amounts

- (a) For a cash settlement, for purposes of determining the aggregate Market Value of the Shares which would otherwise be issuable in settlement of such DSUs, such calculation will be made based on the Market Value on the DSU Termination Date multiplied by the number of Deferred Share Units in the Participant's Deferred Share Unit notional account as of the DSU Termination Date.
- (b) For the purposes of determining the number of Shares to be issued from treasury and delivered to a DSU Participant upon settlement of Deferred Share Units, such calculation will be made on the DSU Termination Date, or if the DSU Termination Date is not a Business Day, on the next such Business Day, based on the whole number of Shares equal to the whole number of Deferred Share Units then recorded in the Participant's Deferred Share Unit notional account. Shares issued from treasury will be issued in consideration for the past services of the DSU Participant to the Company and the entitlement of the DSU Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the DSU Participant with respect to the value of fractional Deferred Share Units standing to the DSU Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Deferred Share Units by (ii) the Market Value on the DSU Termination Date.

Section 9 Termination of Employment

(1) Resignation

If a Participant resigns from employment or as a director or Consultant with a Participating Entity, the Participant shall forfeit all rights, title and interest in the Participant's Awards which are not Vested on the date the notice of resignation is delivered to the Company. The Participant may exercise the Participant's Options which are Vested on the date the notice of resignation is delivered to the Company until the earlier of: (i) the end of the Exercise Period; and (ii) 30 days after the date the notice of resignation is delivered to the Company, after which time all Options expire.

(2) Termination for Serious Reason

If a Participant's employment is terminated by a Participating Entity for Serious Reason or the Participant ceases to be a director or Consultant on a similar basis, the Participant shall forfeit all rights, title and interest in all the Participant's Awards, whether Vested or not Vested at the Termination Date.

(3) Termination for Cause

If a Participant's employment is terminated by a Participating Entity for Cause or the Participant ceases to be a director or Consultant on a similar basis, the Participant shall forfeit all rights, title and interest in all the Participant's non-Vested Awards at the Termination Date and the Participant shall forfeit all rights, title and interest in all the Participant's Vested Awards, thirty (30) days following the Termination Date if not exercised prior thereto.

(4) Retirement, Death, Disability and Disposition of a Participating Entity

If a Participant's employment or other position with a Participating Entity ceases because of the death, Disability or Retirement of the Participant, or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity:

- (a) all of the Options that would Vest in the one year period following the Termination Date will vest immediately prior to the Termination Date and the Participant or his or her legal representatives, as applicable, may exercise such Options and any Options that had Vested as of the Termination Date for the one year period following the Termination Date after which time all Options expire;
- (b) if a Participant's RSUs have not Vested, subject to the Board's approval, a pro rata portion of the Participant's RSUs that are scheduled to Vest on the next scheduled Vesting Date set forth in the RSU Agreement for such RSUs will Vest, based on the number of days that have elapsed between the Award Date and the Termination Date, and such RSUs will be settled in accordance with the provisions of Section 5 on the next scheduled Vesting Date set forth in the RSU Agreement;
- (c) if a Participant's PSUs have not Vested, any PSUs standing to the credit of such Participant shall continue to Vest (and be settled) in the normal course for a period of ninety (90) days extending from the end of the fiscal year in which the Termination Date occurs (the "90 Day Period"). Subject to the Board's approval, any PSUs which do not Vest in the normal course during the 90 Day Period shall vest pro rata upon the Termination Date to take into account only the period that has elapsed between the Award Date and the Termination Date, provided the Performance Goals are satisfied in respect of the applicable Performance Period in which the Termination Date occurs.

(5) Termination without Cause

If a Participant's employment is terminated without Cause, the Participant resigns because he or she has been constructively dismissed, or the Participant ceases to be a director or Consultant on a similar basis then:

- (a) all of the Participant's Options which are Vested on the Termination Date may be exercised until the earlier of the Expiry Date or 90 days after the Termination Date, after which time all Options expire;
- (b) a Participant's RSUs that have not Vested shall Vest in accordance with Section 9(4)(b); and
- (c) a Participant's PSUs that have not Vested shall Vest in accordance with Section 9(4)(c).

(6) Discretion to Permit Exercise

Subject to applicable laws, the Board may, in its discretion, at any time permit the exercise of any or all Options held by the Participant or by the Participant's estate, as the case may be, in the manner and on the terms authorized by the Board in its discretion, provided that the Board may not, in any case, authorize the exercise of an Option pursuant to this Section beyond the expiration of the Exercise Period of the particular Option.

(7) Unexercisable Options

Except in connection with the death, Disability or Retirement of a Participant or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity as provided for in Section 9(3), any Options held by the Participant that were not exercisable or Vested at the Termination Date shall immediately expire and be cancelled on such date.

(8) Leave of Absence

For the purposes of the Plan, a Participant who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of the Company or the applicable Participating Entity, as applicable, during such leave of absence.

(9) No Entitlement to Damages

A Participant shall have no entitlement to damages or other compensation arising from or related to not receiving a grant of Options, RSUs, PSUs or Shares which would have been made to the Participant or which would have Vested after the Participant's termination date. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

Section 10 General

(1) General

The provisions contained in the Plan and any Award Agreement and the existence of any Awards shall not affect in any way the right of the Company or its shareholders or affiliates to take any action, including any change in the Company's capital structure or its business, or any acquisition, disposition, amalgamation, combination, merger or consolidation, or the creation or issuance of any bonds, debentures, shares or other securities of the Company or of an affiliate thereof or the determination of the rights and conditions attaching thereto, or the dissolution or liquidation of the Company or of any of its affiliates or any sale or transfer of all or any part of their respective assets or businesses or ceasing to be a reporting issuer or to be listed on any stock exchange, whether or not any such corporate action or proceeding would have an adverse effect on the Plan or any Awards granted hereunder.

(2) Reorganization of Company's Capital

If the Company effects a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), or if any other change is made in the capitalization of the Company that, in the opinion of the Board, would warrant the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options; or
- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its sole discretion.

(3) Other Events Affecting the Company

In the event of an amalgamation, arrangement, combination, spin-off or other reorganization or any other corporate transaction having a similar effect involving the Company that, in the opinion of the Board, warrants the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options;
- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable; or
- (d) the kind of shares covered by outstanding Awards,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its sole discretion.

(4) Immediate Exercise of Awards

Where the Board determines that the steps provided in Section 10(2) and Section 10(3) would not preserve proportionately the rights and obligations of the Participants in the circumstances or the Board otherwise determines that it is appropriate, the Board may permit the Vesting and exercise, as applicable, effective no later than the Business Day immediately prior to the date on which the event referenced in Section 10(2) and Section 10(3), as applicable, is consummated, of any outstanding Awards that are not then otherwise Vested and the cancellation of any outstanding Options which are not exercised within any specified period.

(5) Change of Control

In the event of a Change of Control, the Board may accelerate the expiry of Options granted under the Plan to the Business Day immediately following the date on which such Change of Control is consummated provided that:

- (a) the Board accelerates the Vesting of the Options prior to the date on which the Change of Control is consummated; and

- (b) the Company gives notice of the accelerated Vesting and expiry to all Participants not less than 10 Business Days prior to the date of consummation of the Change of Control.

In the event of a Change of Control, the Board shall have the authority to take all necessary steps so as to ensure the preservation of the economic interests of the Participants in, and to prevent the dilution or enlargement of, any RSUs or PSUs, including, without limitation: (i) ensuring that the Company or any entity which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Change of Control becoming effective will provide each Participant with new or replacement or amended RSUs or PSUs, as the case may be, which will continue to Vest following the Change of Control on similar terms and conditions as provided in the Plan; (ii) causing all or a portion of the outstanding Share Units to Vest immediately prior to the Change of Control; or (ii) any combination of the above.

In addition, in the event of a Change of Control, for each Option with an Exercise Price greater than the consideration offered in connection with any such transaction, the Board may in its discretion elect to cancel such Option without any payment to the Participant holding such Option.

(6) Fractional Shares

No fractional Shares will be issued on the exercise of an Option or the settlement of a Share Unit. Accordingly, if as a result of any adjustment to either the Exercise Price or the number of Shares issuable on exercise of an Option is made pursuant to the Plan, or to the number of Share Units in the Participant's Share Unit account, the Participant would become entitled to receive a fractional Share on the exercise of an Option or the settlement of a Share Unit, the Participant has the right to acquire only the number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares so disregarded.

(7) Legal Requirement

The Company is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its discretion, such action would constitute a violation by a Participant or the Company of any provision of any applicable statutory or regulatory requirement of any government or governmental authority. No Award will be granted, and no Shares will be issued under the Plan, where such grant or issue would require registration of the Plan or of the Awards or Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Award or purported issue of any Shares under the Plan in violation of this provision is void. Shares issued to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

(8) Participant's Entitlement

Except as otherwise provided in the Plan, Awards previously granted under the Plan, whether or not then exercisable, are not affected by any change in the relationship between or ownership of the Company and an affiliate.

(9) Rights of Participant

The granting of any Award is not to be construed as giving a Participant a right to remain in the employ of the Company or a Participating Entity nor to continue to serve as a director or Consultant.

(10) Amendment or Discontinuance

- (a) In addition to any other rights provided in the Plan, but subject to Section 10(10)(b) and Section 10(10)(c) the Board may: (i) amend, suspend or terminate the Plan or any portion thereof at any time and without notice to or approval from any Participant; or (ii) amend or modify any outstanding Award in any manner to the extent that the Board would have had the initial

authority to grant the Award as so modified or amended, whereupon the Plan shall be amended or discontinued, as appropriate, in the manner and to the extent required by applicable laws and other rules and regulations.

- (b) The Board shall not take any action pursuant to Section 10(10)(a) that would adversely affect or alter the rights of a Participant in relation to a previously granted Award in a material manner, unless: (i) such action is permitted by the Plan or the Award Agreement relating to such Award; or (ii) the prior consent of the affected Participant is obtained, and provided that such action is taken in accordance with applicable law and subject to any required regulatory approval, including approval from any stock exchange upon which the Shares are then listed and shareholder approval.
- (c) Subject to Section 10(10)(e), the Board may from time to time, in its discretion and without approval of shareholders, make changes to the Plan or any Award that do not require the approval of shareholders under Section 10(10)(d), which may include but are not limited to:
 - (i) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan or any agreement, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
 - (ii) a change to the vesting provisions of the Plan, any Award Agreement and any Award granted under the Plan;
 - (iii) a change to the provisions governing the effect of termination of a Participant's employment, contract or office;
 - (iv) a change to accelerate the date on which any Award may be exercised under the Plan; or
 - (v) an amendment of the Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the securities of the Company are then listed or any other regulatory body having authority over the Company, the Plan, Participants or the shareholders of the Company.
- (d) Notwithstanding the foregoing or any other provision of the Plan, shareholder approval is required for the following amendments to the Plan:
 - (vi) any increase in the maximum number of Shares that may be issuable from treasury pursuant to Awards granted under the Plan;
 - (vii) any reduction in the Exercise Price of an Option benefitting an insider of the Company;
 - (viii) any extension of the Expiry Date of an Award benefitting an insider of the Company, except in the case of an extension due to a Blackout Period;
 - (ix) any increase in the maximum number of Awards that may be issuable to insiders and associates of such insiders at any time; and
 - (x) any amendment to Section 10(10)(c) or this Section 10(10)(d) of the Plan.

- (e) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan, will continue in effect as long as any Awards or any rights pursuant thereto remain outstanding.
- (f) No amendment to the Plan shall be made which would cause the Plan, in respect of Deferred Shares Units, to cease to be a plan described in regulation 6801(d) of the Income Tax Act (Canada) or any successor to such provision.

(11) Severability

If any provision of the Plan or any Award Agreement is determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions are severable and enforceable in accordance with their terms, and all provisions will remain enforceable in any other jurisdiction.

(12) General Restrictions and Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Subject to the approval of the Board or the Committee, a Participant that is an individual may elect, at any time, to participate in the Plan by holding or transferring any Award granted under the Plan in or to a registered retirement savings plan established by such Participant for the sole benefit of such Participant or in a personal holding company controlled by such Participant. For the purposes of this Section 10(12), a personal holding corporation shall be deemed to be controlled by a Participant if: (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Participant and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation; and (ii) all of the equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Participant and/or his or her spouse, children or grandchildren. In the event that a Participant elects to hold the Award granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Participant held such Award directly.

Rights and obligations under the Plan may be assigned by the Company to a successor in the business of the Company, any corporation resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any corporation acquiring all or substantially all of the assets or business of the Company.

(13) Market Fluctuations

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

The Company makes no representations or warranties to Participants with respect to the Plan or the Awards whatsoever. Participants are expressly advised that the value of any Awards will fluctuate as the trading price of the Shares fluctuates.

In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of the Shares and all other risks associated with the Awards.

(14) No Shareholder Rights

Under no circumstances shall Awards be considered Shares or other securities of the Company, nor shall they entitle

any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, nor shall any Participant be considered the owner of Shares by virtue of the grant of Awards.

(15) Unfunded and Unsecured Plan

The Plan shall be unfunded and the Company will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company.

(16) Non-Exclusivity

Nothing contained in the Plan prevents the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

(17) Other Employee Benefits

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option or the settlement of an RSU or PSU will not constitute compensation with respect to which any other employee benefits of that Participant are determined including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Board in writing.

(18) Tax Consequences

It is the responsibility of the Participant to complete and file any tax returns and pay all taxes that may be required under Canadian or other tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Entity shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

(19) Effective Date

The Plan will become effective April 14, 2021, subject to shareholder approval.

Schedule "A"

KNIGHT THERAPEUTICS INC. OPTION EXERCISE OR SURRENDER NOTICE

Option 1 – Payment of Exercise Price

I, _____ [Print Name], hereby exercise the Options to purchase _____ common shares (the "Shares") of Knight Therapeutics Inc. (the "Company") at an exercise price of \$ _____ per Share (the "Exercise Price"). This Exercise Notice is delivered in respect of the Options to purchase _____ Shares of the Company granted to me on _____ [Insert Date] pursuant to the Option Agreement entered into between the Company and me on _____ [Insert Date].

In connection with the foregoing:

- (a) I enclose a certified cheque or bank draft payable to the Company; or
- (b) I have initiated a wire transfer of immediately available funds to the Company, in either case, in the amount of \$ _____ [Insert Amount] as full payment for the Shares to be received upon exercise of the Options. I hereby direct the Company to issue the Shares in my name.

In connection with the exercise of the Options, I hereby covenant and agree to pay to the Company, in addition to the Exercise Price, any amount that the Company is obliged to remit to a relevant taxing authority in connection with the exercise of the Options and I understand that the exercise of the Options is conditional upon me making any such payment to the Company.

Date: _____

Participant Signature: _____

Option 2 – Option Surrender

I, _____ [Print Name], hereby give the Company irrevocable notice of and direct the Company to purchase and terminate _____ Options and, in consideration therefore, I request the Company to issue to me that number of Shares disregarding fractions, which, when multiplied by the Market Value have a value equal to the number of Options terminated multiplied by the difference between the Market Value and the Exercise Price to which the Options so terminated relate.

This Surrender Notice is delivered in respect of the Options to purchase _____ Shares of the Company granted to me on _____ [Insert Date] pursuant to the Option Agreement entered into between the Company and me on _____ [Insert Date]. I hereby direct the Company to issue the Shares in my name.

In connection with the surrender of the Options, I hereby covenant and agree to pay to the Company any amount that the Company is obliged to remit to a relevant taxing authority in connection with the surrender of the Options and I understand that the surrender of the Options is conditional upon me making any such payment to the Company.

Date: _____

Participant Signature: _____

Schedule "B"
KNIGHT THERAPEUTICS INC. OPTION AGREEMENT

Knight Therapeutics Inc. (the "**Company**") hereby grants to the Participant named below, options (the "**Options**") to purchase, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this Option Agreement, the number and class of shares of the Company at the Exercise Price per share set forth below:

Name of Participant: _____
 Date of Grant: _____
 Number of Shares subject to Option (the "**Shares**"): _____
 Expiry Date: _____

Vesting Date	Number of Options Vested	Exercise Price

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

Each notice relating to the Option, including the exercise thereof, shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

Knight Therapeutics Inc.
 3400 de Maisonneuve Blvd. West
 Suite 1055
 Montreal, QC H3Z 3B8
 Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

KNIGHT THERAPEUTICS INC.

By: _____
 Name: _____
 Title: _____

I have read the foregoing Agreement and the Plan and hereby accept the Options to purchase Shares in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: _____

Participant Signature: _____

Schedule "C"
KNIGHT THERAPEUTICS INC. PERFORMANCE SHARE UNIT AGREEMENT

Knight Therapeutics Inc. (the "**Company**") hereby grants to the Participant named below, performance share units (the "**PSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this PSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: _ _____
Award Date: _ _____
Number of PSUs: _ _____
Number and Class of Shares subject to the PSUs: _ _____
Performance Period: _ _____
Expiry Date: _ _____

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

1. The PSUs will vest upon the satisfaction of the Performance Goals set forth below prior to the Expiry Date:
[Performance Goals to be inserted]
2. If the Performance Goals are not satisfied prior to the Expiry Date, the PSUs will terminate and be null and void.
3. Any notice relating to the PSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

Knight Therapeutics Inc.
3400 de Maisonneuve Blvd. West
Suite 1055
Montreal, QC H3Z 3B8
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.
4. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

KNIGHT THERAPEUTICS INC.

By: _____
Name: _____
Title: _____

I have read the foregoing Agreement and the Plan and hereby accept the PSUs in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: _____

Participant Signature: _____

Schedule "D"
KNIGHT THERAPEUTICS INC. RESTRICTED SHARE UNIT AGREEMENT

KNIGHT THERAPEUTICS INC. (the "**Company**") hereby grants to the Participant named below, Restricted Share Units ("**RSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: _____
Award Date: _____
Number of RSUs: _____
Number and Class of Shares subject to the RSUs: _____
Expiry Date: _____

1. The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.
2. The RSUs will vest: [vesting conditions to be inserted].
3. Any notice relating to the RSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

Knigh Therapeutics Inc.
3400 de Maisonneuve Blvd. West
Suite 1055
Montreal, QC H3Z 3B8
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

4. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

KNIGHT THERAPEUTICS INC.

By: _____
Name: _____
Title: _____

I have read the foregoing Agreement and the Plan and hereby accept the RSUs in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: _____

Participant Signature: _____

Schedule "E"
KNIGHT THERAPEUTICS INC. DSU AGREEMENT

Knight Therapeutics Inc. (the "**Company**") hereby grants to the DSU Participant named below, deferred share units (the "**DSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this DSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of DSU Participant: _____
Award Date: _____
Number of DSUs: _____
Number and Class of Shares subject to the DSUs: _____

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan. U.S. Taxpayers should review Schedule "J" to the Plan.

Any notice relating to the DSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

Knight Therapeutics Inc.
3400 de Maisonneuve Blvd. West
Suite 1055
Montreal, QC H3Z 3B8
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

KNIGHT THERAPEUTICS INC.

By: _____
Name: _____
Title: _____

I have read the foregoing Agreement and the Plan and hereby accept the DSUs in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: _____

Participant Signature: _____

Schedule "F"
KNIGHT THERAPEUTICS INC.DSU ELECTION NOTICE

Pursuant to the Knight Therapeutics Inc. (the "**Company**") Omnibus Equity Incentive Plan (the "**Plan**"), I hereby elect to receive _____% of my Annual Board Retainer for the fiscal year of _____ in the form of Deferred Shares Units in lieu of cash. I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and have reviewed, considered and agreed to be bound by the terms of this Election Notice and the Plan.
- (b) I recognize that when Deferred Share Units are settled in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon settlement of the Deferred Share Units, the Company will make or arrange with me to make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Share Units is based on the value of the Shares and therefore is not guaranteed.
- (d) This election is irrevocable except as otherwise set forth in the Plan or the Schedules thereto.

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date _____

Name of DSU Participant _____

Signature of DSU Participant _____

Schedule "G"
KNIGHT THERAPEUTICS INC. DSU SETTLEMENT NOTICE

In respect of the Deferred Share Units that vested on that were granted to you by Knight Therapeutics Inc. (the "Company") pursuant to the Company's Omnibus Equity Incentive Plan (the "Plan"), the Company hereby elects to settle the Deferred Share Units (including for any fractional Deferred Share Units) as follows [Company to select one]:

- () (i) the cash equivalent, calculated in accordance with Section 8(7)(a) of the Plan;
- () (ii) Shares, calculated in accordance with Section 8(7)(b) of the Plan; or
- () (iii) the cash equivalent for _____ Deferred Share Units and Shares for
 __Deferred Share Units.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:]

[I (check one):

- () (i) enclose cash, a certified cheque, bank draft or money order to the Company in the amount of \$ _____ as full payment for the applicable withholding taxes;
- () (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- () (iii) if permitted by the Company, elect to settle for cash such number of Deferred Share Units as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date _____

Name of DSU Participant _____

Signature of DSU Participant _____

Schedule "H"
KNIGHT THERAPEUTICS INC. SHARE UNIT SETTLEMENT NOTICE

In respect of the RSUs that Vested on _____ that were granted to you by Knight Therapeutics Inc. (the "**Company**") pursuant to the Company's Omnibus Equity Incentive Plan (the "**Plan**"), the Company hereby elects to settle the RSUs (including for any fractional RSUs) as follows [Company to select one]:

- () (i) the cash equivalent, calculated in accordance with Section 5(5)(a) of the Plan;
- () (ii) Shares, calculated in accordance with Section 5(5)(b) of the Plan; or
- () (iii) the cash equivalent for _____ RSUs and Shares for _____ RSUs.

In respect of the PSUs that Vested on _____ that were granted to you by the Company pursuant to the Plan, the Company hereby elects to settle the PSUs (including for any fractional PSUs) as follows [Company to select one]:

- () (i) the cash equivalent, calculated in accordance with Section 6(6)(a) of the Plan;
- () (ii) Shares, calculated in accordance with Section 6(6)(b) of the Plan; or
- () (iii) the cash equivalent for _____ PSUs and Shares for _____ PSUs.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:] [I (check one):

- () (i) enclose cash, a certified cheque, bank draft or money order to the Company in the amount of \$ _____ as full payment for the applicable withholding taxes;
- () (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- () (iii) if permitted by the Company, elect to settle for cash such number of [RSUs][PSUs] as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date _____

Name of Participant _____

Signature of Participant _____

Schedule "I"
DSU TERMINATION NOTICE

Notwithstanding my previous election on the DSU Election Notice dated _____, I hereby elect to terminate my participation in the Knight Therapeutics Inc. (the "**Company**") Omnibus Equity Incentive Plan (the "**Plan**") effective as of the date this Termination Notice is received by the Company.

I understand that the Deferred Share Units already granted under the Plan cannot be settled until the DSU Termination Date.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to continue to be bound by the Plan.

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date _____

Name of DSU Participant _____

Signature of DSU Participant _____

Schedule “J”
Special Provisions Applicable to U.S. Taxpayers

This Schedule “J” sets forth special provisions of the Knight Therapeutics Inc. Omnibus Equity Incentive Plan (the “Plan”) that apply to Participants that are subject to Section 409A of the United States Internal Revenue Code of 1986, as amended. Terms defined in the Plan and used herein shall have the meanings set forth in the Plan document, as amended from time to time.

1. DEFINITIONS

For purposes of this Schedule “J”:

- 1.1. “Code” means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.
- 1.1. “Section 409A” means Section 409A of the Code.
- 1.2. “U.S. Taxpayer” means a Participant who is a citizen or permanent resident of the United States for purposes of the Code or a Participant for whom the compensation under the Plan would otherwise be subject to income tax under the Code.

2. COMPLIANCE WITH SECTION 409A

Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan either be exempt from or comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each U.S. Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with the Plan or any other plan maintained by the Company (including any taxes and penalties under Section 409A), and neither the Company nor any subsidiary of the Company shall have any obligation to indemnify or otherwise hold such U.S. Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

3. OPTION GRANTS TO U.S. TAXPAYERS

- 3.1. Exercise Price. For the avoidance of doubt and notwithstanding anything to the contrary in Section 3(3) of the Plan or otherwise, any Option issued to a U.S. Taxpayer shall have an Exercise Price that is no less than “fair market value” on the Award Date which value shall be determined in accordance with Section 409A. In furtherance of the foregoing and in accordance with the rules of the Toronto Stock Exchange, if the Shares are publicly traded, the Exercise Price of any Option issued to a U.S. Taxpayer shall be the greater of (i) the per Share Market Value on the Award Date, and (ii) the closing price of the Shares on the day prior to the Award Date.
- 3.2. Term of Options. For the avoidance of doubt and notwithstanding anything to the contrary in Section 4(8) of the Plan or otherwise, in no event, including as a result of any Blackout Period, shall the term of any Option granted to a U.S. Taxpayer be extended beyond the date which it would have expired in accordance with its terms if such Option has a per Share Exercise Price that is less than the “fair market value” of the Shares on the date of the proposed extension, or such extension would otherwise result in a violation of Section 409A.
- 3.3. Adjustments. Notwithstanding any provision of the Plan or otherwise, any adjustment to an Option issued to a U.S. Taxpayer shall be made in accordance with the requirements of Section 409A.

4. GRANT OF SHARE UNITS

- 4.1. Vesting and Settlement. Notwithstanding anything to the contrary in Section 4 of the Plan, the RSU Agreement, the PSU Agreement or otherwise, any RSUs or PSUs issued to a U.S. Taxpayer shall be settled within thirty (30) days of the applicable Vesting date which shall be clearly set forth in the Award Agreement or such other date on which the applicable Vesting conditions have been satisfied. For the avoidance of doubt, the Vesting date for any PSUs shall be the date on which the Board determines that the applicable Performance Goals have been satisfied following the completion of the applicable Performance Period.
- (i) Termination of Employment. Notwithstanding anything to the contrary in Section 6 of the Plan or otherwise, in the event that a U.S. Taxpayer's employment is terminated as a result of circumstances set forth in Section 6(3) "Retirement, Death, Disability and Disposition of a Participating Entity," or Section 6(4) "Termination without Cause," triggering special Vesting protection as provided therein, the following provisions shall apply: (i) any special Vesting of RSUs that is approved by the Board, whether pro-rated or otherwise, shall be deemed to occur as of the Termination Date, (ii) the settlement of any such RSUs that are deemed Vested shall occur no later than seventy-four (74) days of the Termination Date, (iii) any waiver of Time Vesting Conditions applicable to unvested PSUs which may be approved by the Board shall be deemed to occur as of the Termination Date, and any such portion of the PSUs shall remain eligible to vest subject to the satisfaction of the remaining Performance Goals and shall thereafter be settled no later than seventy-four (74) days following the applicable Vesting Date.

5. DEFERRED SHARE UNITS

- 5.1. Termination Notice. Notwithstanding anything to the contrary in Section 8 of the Plan or otherwise, U.S. Taxpayers shall have a right to terminate participation in the Plan by issuance of a Termination Notice as described in the Plan, provided, however, that such Termination Notice shall only be effective as of the first day of the following fiscal year in which it is received by the Company and in no event shall a U.S. Taxpayer be permitted to revoke his or her election to participate in the Plan with respect to any compensation earned in the same year. For the avoidance of doubt, if any U.S. Taxpayer issues a Termination Notice, only Annual Board Retainers payable in the next following fiscal year shall become payable in cash. If any U.S. Taxpayer terminates his or her participation in the Plan and subsequently wants to resume participation, he or she will need to be make a new election in accordance with Section 8(3) of the Plan which will become effective only with respect to any Annual Board Retainer for the following fiscal year.
- 5.2. Vesting and Settlement of Deferred Share Units. Except as otherwise set forth in any DSU Agreement, all DSUs issued to a U.S. Taxpayer shall be vested as of the Award Date. The schedule for settlement of any DSUs issued to a U.S. Taxpayer shall be specified in writing whether pursuant to a DSU Settlement Notice, or otherwise, and delivered to the Company at the same time as the initial deferral election is made in accordance with Section 5(3) of the Plan; provided that, if any U.S. Taxpayer fails to timely elect a settlement schedule or complete a DSU Settlement Notice, in accordance with Section 5(3) of the Plan and this Schedule "J", then any DSUs issued to the U.S. Taxpayer shall be settled within thirty (30) days of the U.S. Taxpayer's separation from service but in no event later than the last day of the calendar year in which such separation from service occurs.
- 5.3. Distributions to U.S. Taxpayers. Notwithstanding anything to the contrary in the Plan or otherwise, no settlement of Deferred Share Units issued under the Plan shall be made with respect to a U.S. Taxpayer unless and until such U.S. Taxpayer's separation from service.
- 5.4. Distributions to Specified Employees. Solely to the extent required by Section 409A, any payment in respect of Deferred Share Units which is subject to Section 409A and which has become payable on or following separation from service to any Eligible Director who is determined to be a Specified Employee shall not be paid before the date which is six months after such Specified Employee's separation from

service (or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.

6. CHANGE OF CONTROL

In accordance with Section 10(5) of the Plan and notwithstanding anything to the contrary herein or otherwise, all outstanding DSUs issued to a U.S. Taxpayer shall be settled within thirty (30) days of a Change of Control; provided that, such Change of Control constitutes a “change in control” for purposes of Section 409A.

7. SHARE ISSUANCE AND TRANSFER RESTRICTIONS

Notwithstanding anything to the contrary, the Company has no obligation to issue any Shares pursuant to the Plan to any U.S. Taxpayer (or any other person in the United States) unless such Shares have been registered for sale pursuant to the U.S. Securities Act of 1933 or unless such Shares may be offered and sold without such registration pursuant to and in compliance with the terms of an available exemption. The Company shall be under no obligation to register for sale under the U.S. Securities Act of 1933 any of the Shares to be offered or sold under the Plan. Shares issued and sold to U.S. Taxpayers (or other persons in the United States) pursuant to the exercise or settlement of Awards may be subject to limitations on sale or resale under applicable securities laws. Without limiting the generality of the foregoing, the Board may cause a legend or legends to be put on any such certificates of Shares delivered under the Plan to make appropriate reference to such restrictions or may cause such Shares delivered under the Plan in book-entry form to be held subject to the Company’s instructions or subject to appropriate stop-transfer orders. If Shares cannot be issued to a U.S. Taxpayer (or other person in the United States) upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Company to issue any Shares will terminate and the Company shall settle the Award in cash.

8. AMENDMENT OF SCHEDULE “J”

Notwithstanding anything to the contrary in the Plan or otherwise, the Board shall retain the power and authority to amend or modify this Schedule “J” to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any U.S. Taxpayer.