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Security Class

Holder Account Number

 Fold

Form of Proxy - Annual General and Special Meeting to be held on Monday, July 29, 2019

This Form of Proxy is solicited by and on behalf of Management.

Notes to proxy

1. Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you must sign this proxy with signing capacity stated, and you may be required to provide documentation evidencing your power to sign this proxy.
3. This proxy should be signed in the exact manner as the name(s) appear(s) on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. **The securities represented by this proxy will be voted as directed by the holder, however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.**
6. The securities represented by this proxy will be voted in favour or withheld from voting or voted against each of the matters described herein, as applicable, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting or any adjournment or postponement thereof.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

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Proxies submitted must be received by 10:00 am, Pacific Daylight Time on Thursday, July 25, 2019.

VOTE USING THE TELEPHONE OR INTERNET 24 HOURS A DAY 7 DAYS A WEEK!



To Vote Using the Telephone

- Call the number listed BELOW from a touch tone telephone.

1-866-732-VOTE (8683) Toll Free



To Vote Using the Internet

- Go to the following web site:
www.investorvote.com
- **Smartphone?**
 Scan the QR code to vote now.



If you vote by telephone or the Internet, DO NOT mail back this proxy.

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual.

Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the Management nominees named on the reverse of this proxy. Instead of mailing this proxy, you may choose one of the two voting methods outlined above to vote this proxy.

To vote by telephone or the Internet, you will need to provide your **CONTROL NUMBER** listed below.

CONTROL NUMBER



Appointment of Proxyholder

I/We being holder(s) of Aequus Pharmaceuticals Inc. hereby appoint(s):
Douglas Janzen, or failing him, Anne Stevens, or failing her, Ann Fehr

OR

Print the name of the person you are
appointing if this person is someone
other than the Chairman of the
Meeting.

as my/our proxyholder with full power of substitution and to attend, act and to vote for and on behalf of the shareholder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual General and Special Meeting of shareholders of Aequus Pharmaceuticals Inc. to be held at the offices of Blake, Cassels & Graydon LLP, located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3 on Monday, July 29, 2019 at 10:00 am, Pacific Daylight Time and at any adjournment or postponement thereof.

VOTING RECOMMENDATIONS ARE INDICATED BY **HIGHLIGHTED TEXT** OVER THE BOXES.

For **Against**

1. Number of Directors

To set the number of Directors at six (6).

2. Election of Directors

For **Withhold**

For **Withhold**

For **Withhold**

01. Douglas Glen Janzen

02. Anne Michelle Stevens

03. Rodoula Plakogiannis

04. Jason Flowerday

05. Christopher Clark

06. Damien King

For **Withhold**

3. Appointment of Auditors

Appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as Auditors of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration.

For **Against**

4. Amendment and Restatement of Stock Option Plan

To consider and, if deemed fit, to approve, with or without variation, an ordinary resolution approving the amended and restated Stock Option Plan, as more particularly described in the accompanying Management Information Circular.

Authorized Signature(s) - This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. **If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.**

Signature(s)

Date

DD / MM / YY

Interim Financial Statements - Mark this box if you would like to receive Interim Financial Statements and accompanying Management's Discussion and Analysis by mail.

Annual Financial Statements - Mark this box if you would like to receive the Annual Financial Statements and accompanying Management's Discussion and Analysis by mail.

If you are not mailing back your proxy, you may register online to receive the above financial report(s) by mail at www.computershare.com/maillinglist.



AEQUUS PHARMACEUTICALS INC.
2820 – 200 Granville Street
Vancouver, British Columbia V6C 1S4
Telephone No.: (604) 336-7906 Fax No.: (604) 563-5033

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Aequus Pharmaceuticals Inc. (the “**Company**”) will be held at the offices of Blake, Cassels & Graydon LLP, located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia on July 29, 2019 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for its fiscal year ended December 31, 2018, and the report of the auditor and the related management discussion and analysis;
2. to elect directors of the Company for the ensuing year who will serve until the next annual general meeting, until a successor is appointed, their office vacated or until they are otherwise disqualified to serve as directors;
3. to consider, and if deemed appropriate, to pass an ordinary resolution approving the amendment and restatement of the stock option plan of the Company;
4. to appoint Dale Matheson Carr-Hilton LaBonte LLP as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The board of directors has fixed as June 24, 2019 as the record date for determining the shareholders entitled to receive notice of and vote at the Meeting. Shareholders unable to attend the meeting in person are requested to read the enclosed management information circular and proxy (or Voting Instruction Form, a “**VIF**”) and complete and deposit the proxy or VIF in accordance with its instructions. Unregistered shareholders that receive this notice of Meeting and accompanying materials through a financial institution or other intermediary must deliver their completed proxy or VIF in accordance with the instructions given by their financial institution or other intermediary.

DATED at Vancouver, British Columbia, this 26th day of June, 2019.

BY ORDER OF THE BOARD

“*Doug Janzen*”

Doug Janzen
Chief Executive Officer

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.



AEQUUS PHARMACEUTICALS INC.

NOTICE OF
ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS OF
AEQUUS PHARMACEUTICALS INC.
TO BE HELD ON JULY 29, 2019

MANAGEMENT INFORMATION CIRCULAR

DATED: JUNE 26, 2019

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AEQUUS PHARMACEUTICALS INC.
2820 – 200 Granville Street
Vancouver, British Columbia V6C 1S4
Telephone No.: (604) 336-7906 Fax No.: (604) 563-5033

INFORMATION CIRCULAR

as at June 26, 2019

(except as otherwise indicated)

This Information Circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by the management of Aequus Pharmaceuticals Inc. (the “Company” or “Aequus”) for use at the 2019 annual general and special meeting (the “Meeting”) of its shareholders to be held on July 29, 2019 at the offices of Blake, Cassels & Graydon LLP, located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, for the purposes set forth in the accompanying notice of the Meeting (the “Notice”).

In this Information Circular, references to the “**Company**”, “**we**” and “**our**” refer to Aequus Pharmaceuticals Inc. “**Common Shares**” or a “**Common Share**” mean common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and who have advised that they wish to receive such materials.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) as proxyholders are officers of the Company and have been appointed by management. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the management's nominees for directors and auditors identified in the Proxy.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A registered shareholder may submit a proxy using one of the following methods:

- (a) date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services, Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, or from outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the Proxy for the toll free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions set out on the website and refer to the Proxy for the holder's account number and the proxy access number.

Whatever method a registered shareholder chooses to submit their Proxy, they must ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's intermediaries. In Canada, the majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is relying upon the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to deliver proxy-related materials directly to its

NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting. We have elected to pay for intermediaries to distribute these materials to Beneficial Shareholders who are OBOs under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company; however, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies may involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the “**BCA**”), as amended, certain of its directors and its executive officers are residents of Canada and a part of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to

sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the registered office of the Company at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed June 24, 2019 as the record date (the "**Record Date**") for determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of the Record Date, there were 80,437,970 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. The Company has no outstanding restricted securities, or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or securities that will, when issued, result in an existing class of outstanding securities being considered restricted securities.

To the knowledge of the directors and executive officers of the Company, there are no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at the Record Date.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2018, report of the auditor and related management discussion and analysis, all of which may be obtained under our profile on SEDAR at www.sedar.com, will be placed before the Meeting and have been filed with the securities commissions or similar regulatory authority in British Columbia, Alberta, Manitoba, Saskatchewan and Ontario.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors – See heading “*Election of Directors*”.
2. Appointment of Auditor – See heading “*Appointment of Auditor*”.
3. Amendment and Restatement of Stock Option Plan – See heading “*Amendment and Restatement of Stock Option Plan*”

ELECTION OF DIRECTORS

The size of the Board of the Company is currently determined at six. The Articles of the Company provide for a board of directors as set by ordinary resolution of the shareholders from time to time.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Advance Notice Policy

Pursuant to our advance notice policy, any additional director nominations for an annual general meeting must be received by the Company, not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the nomination shareholder may be made not later than the close of business on the tenth day following the notice date. As no nominations were received by June 30, 2019, being the date which is 30 days prior to the Meeting, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following disclosure sets out the names of management's six nominees for election as directors, all major offices and positions with the Company each now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or

indirectly, or over which each exercised control or direction, as at the Record Date. **Management recommends a vote “for” in respect of the resolution to appoint the nominees listed below as directors.**

Name, Province of Residence and Position with Aequus	Director Since	Position and Principal Occupation in the Past Five Years ⁽¹⁾⁽⁵⁾	Number of Common Shares Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽⁴⁾⁽⁵⁾
Douglas Glen Janzen British Columbia, Canada Director, President, Chairman and Chief Executive Officer	January 3, 2013	Director and President, Aequus Pharmaceuticals Inc. (January 3, 2013 – Present); Chief Executive Officer and Chairman, Aequus Pharmaceuticals Inc. (December 10, 2014 – Present); President, Northview Venture Inc. (November 1, 2012 – Present); Managing Director, Northview Venture and Associates General Partnership (April 1, 2014 – Present); Chief Executive Officer, President and Director, Cardiome Pharma Corp. (2003-2012)	5,149,800 ⁽⁶⁾
Anne Michelle Stevens ⁽¹⁰⁾ British Columbia, Canada Director, Corporate Secretary, Chief Operating Officer	December 10, 2014	Corporate Secretary, Aequus Pharmaceuticals Inc. (December 10, 2014 – Present); Chief Operating Officer, Aequus Pharmaceuticals Inc. (July 13, 2015 – Present); Director, Aequus Pharmaceuticals Inc. (October 20, 2014 – Present); Vice President, Corporate Development, Aequus Pharmaceuticals Inc. (October 20, 2014 – July 13, 2015); Commercial Lead, New Project Development, Aequus Pharmaceuticals Inc. (January 1, 2013 – December 10, 2014); President, Crecera Consulting Inc. (August 1, 2012-Present); Senior Partner, Northview Venture and Associates General Partnership (April 1, 2014 – Present); Corporate and External Affairs Analyst, Cardiome Pharma Corp. (2010-2012)	Nil ⁽⁷⁾
Rodoula Plakogiannis NY, USA Director	October 20, 2014	Associated Professor of Pharmacy Practice, Long Island University (2002 – Present); Director, Transdermal Pharma Research Laboratories LLC (2013 – Present)	1,974,625 ⁽⁸⁾
Christopher Clark ⁽²⁾⁽³⁾ British Columbia, Canada Director	December 18, 2014	Chief Financial Officer, Neovasc Inc. (April 2007 – Present)	Nil ⁽⁹⁾
Jason Flowerday ⁽²⁾ Ontario, Canada Director	January 29, 2014	Chief Executive Officer, mdBriefCase Group, Inc (September 2018 – Present); Chief Executive Officer and Director, 3D Signatures Inc. (September 2016 – September 2018); Independent consultant (February 2016 – September 2016); Chief Executive Officer, Pro Bono Bio Inc. (February 2015 – February 2016); Vice President Commercial Operations, Knight Therapeutics (September 2014 – February 2015); Owner and Chief Commercial Officer, Orphan Canada (January 2010 – August 2014); Owner and Vice President, RxMedia Healthcare Communications (September 2006 – March 2014)	Nil ⁽¹⁰⁾
Damien King ⁽²⁾ British Columbia, Canada Director	July 10, 2018	Director of Sales (May 2008-present) for Merz Pharma Canada Ltd.	Nil ⁽¹¹⁾

Notes:

- (1) All of the directors' appointments expire at the next annual meeting of the shareholders of the Company.
- (2) Member of the Audit Committee.
- (3) Chair of the Audit Committee.
- (4) See heading “*Compensation of Named Executive Officers*” of this Information Circular for full disclosure on options (“**Options**”) to purchase Common Shares.
- (5) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the Company and has been furnished by the respective nominees themselves.
- (6) Mr. Janzen holds Options to purchase 540,000 Common Shares.
- (7) Ms. Stevens holds Options to purchase 1,724,337 Common Shares.
- (8) Ms. Plakogiannis holds Options to purchase 100,000 Common Shares.
- (9) Mr. Clark holds Options to purchase 450,000 Common Shares.
- (10) Mr. Flowerday holds Options to purchase 450,000 Common Shares.
- (11) Mr. King holds Options to purchase 350,000 Common Shares.

Director Biographies

Douglas Glen Janzen, President, Chief Executive Officer and Chairman of the Board

Mr. Janzen has over 20 years of experience in life sciences with leadership experience in corporate finance, business development and management. Mr. Janzen is currently Co-Founder and Managing Director of Northview Ventures and Associates General Partnership (“**Northview GP**”); President, Chairman and Chief Executive Officer (“**CEO**”) of Aequus Pharmaceuticals Inc.; and serves on the Boards of Aequus Pharmaceuticals Inc., Lexington Biosciences Inc., Perimeter Medical Imaging Inc. (Chairman), Renaissance Biosciences Corp. and Synaptive Technologies, Inc. Mr. Janzen is responsible for the management of the Company, developing objectives, strategy and standards of performance, securing and leading a team of professionals and directing them to deliver the required performance. As the Chairman of the Board, Mr. Janzen is responsible for the management of the Board to ensure the Company has appropriate objectives and an effective strategy, and that it is operating in accordance with a high standard of corporate governance. Mr. Janzen is past Chair of LifeSciences BC, previously served as a Director with Biotech Canada and iCo Therapeutics Inc., and is a past winner of Business in Vancouver’s “Top 40 Under 40 Award”.

Anne Michelle Stevens, BSc, MHA, Chief Operating Officer, Corporate Secretary, and Director

Ms. Stevens has extensive experience in the Pharmaceutical, Biotech, and Medical Device industry. Ms. Stevens is the Co-Founder and Senior Partner of Northview, an entity which invests in and provides strategic advisory services to a number of life sciences companies. Ms. Stevens will be responsible for overseeing business development, new products and pipeline management, corporate communications and matters related to human resources and facilities for the Company. Previously, Ms. Stevens served as the VP of Corporate Development for Aequus and as Corporate and External Affairs Analyst for Cardiome Pharma Corp., where she was responsible for strategic planning and value analysis of internal R&D. Ms. Stevens’ earlier experience includes five years with Bayer HealthCare, where she was responsible for the commercial success and business development of a portfolio of products within several key therapeutic areas. Ms. Stevens holds a Bachelor of Science degree and Master of Health Administration degree from University of British Columbia and is a past winner of Business in Vancouver’s “Top 40 Under 40 Award”.

Rodoula Plakogiannis, PharmD, BCPS, CLS, FNLA, Director

Dr. Plakogiannis has been an Associate Professor of Pharmacy Practice at the Arnold & Marie Schwartz College of Pharmacy since 2002, and Adjunct Associate Professor at NYU Langone Medical Center since 2011. She received both her Bachelor of Science in Pharmacy and traditional Doctor of Pharmacy degrees from the Arnold & Marie Schwartz College of Pharmacy & Health Sciences. Dr. Plakogiannis completed an ASHP-accredited specialized pharmacy residency in primary care at the Bay Pines Veterans Medical Center in Tampa, Fl. She is a Board Certified Pharmacotherapy Specialist, a Diplomat and Fellow of the Accreditation Council for Clinical Lipidology, and a Board Certified Clinical Lipid Specialist. She serves as one of the Board of Directors for the National Lipid Association and on the Accreditation Council for Clinical Lipidology’s Board of Governors. She also serves as the Adverse Drug Reactions Section Editor for the Journal of Pharmacy Practice. Dr. Plakogiannis has presented on a national level in addition to local seminars.

Christopher Clark, CA, BA (Honours), Director

Mr. Clark has over 20 years finance and accounting experience in public practice and in public and private companies, most recently focused in the medical device sector. Previous experience includes financial leadership roles with large automotive and telecom firms in which he developed deep expertise in the development and management of sophisticated financial systems. A highly sought after consultant for biotechnology start-ups, Mr. Clark accepted the role of Chief Financial Officer at Neovasc Inc. (“**Neovasc**”), a medical device company that develops, manufactures, and markets products for the cardiovascular marketplace, and was instrumental in the initial and ongoing development of Neovasc as a publicly traded company. He

received his designation as a Chartered Accountant from the Institute of Chartered Accountants of England and Wales and articulated with KPMG before moving to Canada from England in 1998. He has an honors degree in Economics from Swansea University and a post graduate diploma from Keble College, Oxford.

Jason Flowerday, MBA, BSc (Honours), Director

Mr. Flowerday is a highly respected business leader with two decades of executive life sciences management and startup experience. For over a decade, Mr Flowerday was groomed at Bayer and JnJ before he expanded his successful career into leading specialty pharmaceutical, biotech and device companies in their pursuit of growth and capital. He has consistently developed his entrepreneurial drive and governance expertise, and has been a passionate leader and champion for change. Mr Flowerday currently serves as Chief Executive Officer of mdBriefCase Group, Inc., a leading provider of online continuing professional development for physicians, pharmacists, nurses, and other allied healthcare professionals in Canada, Australia, the Middle East, Africa, and around the world. Mr. Flowerday was previously the Chief Executive Officer and Director of 3D Signatures Inc, a personalized medicine company with proprietary software in the area of cancer diagnostics and the Chief Executive Officer of Pro Bono Bio Inc. He served as Vice President Commercial Operations of Knight Therapeutics Inc. (“**Knight**”) following the successful sale of his company, Orphan Canada, to Knight in 2014. In his role as founder and Chief Commercial Officer of Orphan Canada Mr. Flowerday funded and led the company through in-licensing and commercializing of its lead products which dealt with genetic and rare diseases. Prior to founding Orphan Canada, Mr. Flowerday established RxMedia Healthcare Communications, leading the company through a period of sustained growth and expansion. Mr. Flowerday holds a Bachelor of Science (Honours) from the University of Toronto and a Masters of Business Administration from Queen’s University.

Damien King, MBA, Director

With over 20 years in the pharmaceutical industry, Damien is a proven executive leader, with a track record of consistent sales growth and an ability to effectively manage operations through clear strategic direction, while creating positive corporate cultures. Most recently Damien served as the Director of Sales with Merz Pharma Canada, where he was a founding member of their Senior Leadership Team, and over 10 years worked to transform the company from a single brand entity, to an integrated product portfolio organization with 5 divisions and multiple high performing teams. Currently he sits as the President of AVARI Medical. He has been presented with numerous awards throughout his career, recognizing achievements in sales and marketing, but is most satisfied when he can translate that success to his team and others. Sharing his passion and time with multiple non-profits he has also held various board positions in support of his community. Most recently, he finished his MBA at Cornell University and holds a BSc from Simon Fraser University. When not driving sales, he prefers to be at the helm of a boat, and as an avid sailor has raced around the world, completing multiple Pacific and Atlantic Ocean crossings.

Cease Trade Orders and Bankruptcies

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

No proposed nominee for election as a director of the Company:

- (a) 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 (including the Company) that,
 - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for

more than 30 consecutive days (together, 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;
- (b) 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 (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this 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 the assets of the proposed director.

No proposed nominee for election as a director of the Company has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, at its offices located at #1500-1140 W Pender Street, Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of the Company to hold office until the next annual general meeting of the Company at the remuneration to be fixed by the directors. Dale Matheson Carr-Hilton LaBonte LLP was first appointed as auditor of the Company on July 10, 2018.

To be approved, the resolution must be passed by a majority of the votes cast by the holders of Common Shares at the Meeting. **Management recommends a vote “for” in respect of the resolution approving the appointment of the auditor and authorizing the directors to fix the auditor’s remuneration.**

AMENDMENT AND RESTATEMENT OF STOCK OPTION PLAN

At the Meeting, shareholders will be asked to approve an ordinary resolution set forth below approving the amendment and restatement to the Company’s existing stock option plan (the “**Stock Option Plan**”) to increase the number of Common Shares that may be reserved for issuance pursuant to Options. For reference, a copy of the Stock Option Plan incorporating the proposed amendment is appended hereto as Schedule “B” (the “**Amended and Restated Stock Option Plan**”).

The Stock Option Plan was originally adopted by the Board on February 4, 2015 to offer incentives to directors, officers, employees, management and others who provide services to the Company to act in the best interests of

the Company. The most recent amendment and restatement of the Stock Option Plan was approved by the Board on June 12, 2017 and approved by the shareholders of the Company on July 12, 2017. See “*Securities authorized for issuance under equity compensation plans - Stock Option Plan*” below for a summary of the material terms of the existing Stock Option Plan.

The Company’s current Stock Option Plan is a “fixed number plan” pursuant to which a maximum of 12,000,000 Common Shares, being approximately 14.9% of the issued and outstanding Common Shares as of the Record Date, may be reserved for issuance pursuant to Options. As of the Record Date, the Company currently has Options granted giving the right to acquire an aggregate of 8,698,278 Common Shares outstanding pursuant to the Stock Option Plan, leaving a total of 3,176,722 Options available for grants.

At the Meeting, shareholders will be asked to approve the amendment and restatement of the Stock Option Plan and, as a result, the adoption of the Amended and Restated Stock Option Plan. The Amended and Restated Stock Option Plan will increase the maximum number of Common Shares reserved for issuance pursuant to Options from 12,000,000 to 16,000,000. The 16,000,000 Common Shares reserved for issuance pursuant to Options under the proposed Amended and Restated Stock Option Plan represent approximately 19.8% of the issued and outstanding Common Shares as of the Record Date. Other than the foregoing, none of the terms of the existing Stock Option Plan have been amended under the Amended and Restated Stock Option Plan.

The Amended and Restated Stock Option Plan was approved by the Board on June 26, 2019 and must also be approved by both the TSX Venture Exchange (“**TSX-V**”) and the shareholders of the Company. Accordingly, the shareholders will be asked to approve the Amended and Restated Stock Option Plan. At the Meeting, shareholders will be asked to consider and, if thought fit, pass the resolution set out below, approving the implementation of the Amended and Restated Stock Option Plan:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amendment and restatement of the stock option plan of the Company (the “**Plan**”) as more particularly described in the Information Circular of the Company dated June 26, 2019 and attached thereto as Schedule “B”, be and is hereby approved and the Plan, as hereby amended and restated, be and is hereby adopted, ratified and confirmed as the stock option plan of the Company;
2. subject to adjustment pursuant to the terms and conditions of the Plan, the maximum number of Common Shares which may be issued under the Plan be fixed at 16,000,000 Common Shares, all of which may be made available for citizens or residents of the United States to acquire pursuant to incentive stock options;
3. the form of the Plan may be further amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval from the shareholders of the Company; and
4. any one director or officer of the Company is authorized and directed, on behalf of the Company to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”

To be approved, the resolution must be passed by a majority of the votes cast by the holders of Common Shares at the Meeting. **Management recommends a vote “for” in respect of the resolution approving the Amended and Restated Stock Option Plan.**

Should the Amended and Restated Stock Option Plan not receive the required shareholder approval at the Meeting, the Amended and Restated Stock Option Plan will terminate, and the existing Stock Option Plan will remain in place.

AUDIT COMMITTEE

National Instrument 52-110 “*Audit Committees*” (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

The Audit Committee is comprised of Christopher Clark (Chair of the Audit Committee), Jason Flowerday and Damien King, all of whom are financially literate as such term is defined in NI 52-110. Mr. Flowerday and Mr. King are considered independent pursuant to NI 52-110. Mr. Clark is not considered independent. A description of the education and experience of each proposed Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member may be found above under the heading “*Director Biographies*”.

The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the financial management and external auditors of the Company. The Audit Committee will also review the annual audited financial statements and make recommendations to the Board. The Company is relying on the exemption set out in section 6.1 of NI 52-110. A copy of the Audit Committee’s charter is attached as Schedule “A”.

Relevant Education and Experience

See heading “*Director Biographies*” above for a description of the education and experience of each of the members of the Audit Committee that is relevant to their performance as an audit committee member, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analysing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Company’s Board.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirements that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has authority and responsibility for pre-approval of all non-audit services to be provided to the Company or its subsidiary entities by the external auditors or the external auditors of the Company's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of its reporting obligations under NI 52-110 for the year ended December 31, 2018.

External Auditor Service Fees by Category

In connection with the Company's last fiscal year end, the Company incurred audit fees as set out in the table below. In the table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories. All amounts in the table are expressed in Canadian dollars.

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2017	\$27,000	\$30,722	\$Nil	\$Nil
December 31, 2018	\$21,205	\$11,284	\$Nil	\$Nil

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") addresses matters such as the constitution of and the functions to be performed by the Board. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

Board of Directors

Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. The Board is responsible for:

- (a) ensuring that management develops and implements a strategic plan that takes into account market realities and regulatory compliance;
- (b) upholding a comprehensive policy for communications with shareholders and the public at large;
- (c) developing and formalizing the responsibilities for each member of the Board, including the responsibilities of the Chairman vis-à-vis corporate objectives;
- (d) ensuring that the risk management of Aequus is prudently addressed; and
- (e) overseeing succession planning for management.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of Aequus. However, the Board meets at least semi-annually and at each meeting there is a review of the business of Aequus.

The Board of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

Composition of the Board

The Board is currently composed of six directors, three of whom qualify as independent directors. Following the Meeting, it is expected that the Board will be comprised of six directors, three of whom will qualify as independent. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with Aequus. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the current directors, Jason Flowerday, Rodoula Plakogiannis and Damien King are considered independent. The following three directors are considered not independent as a result of the positions indicated in parentheses following each name: (i) Doug Janzen (CEO, President and Chairman of the Company); (ii) Anne Stevens (Corporate Secretary and Chief Operating Officer of the Company); (iii) Christopher Clark (an executive officer of Neovasc and Doug Janzen, an executive officer of Aequus, serves on Neovasc's compensation committee).

Directorships

Currently, the following nominated directors serve on the following boards of directors of other reporting issuers:

Director	Reporting Issuer Board Membership
Doug Janzen	Neovasc (NASDAQ:NVCN) (TSX:NVC) Lexington Biosciences, Inc. (CSE: LNB) (OTCQB:LXGTF) BioHEP Technologies Ltd.

Orientation and Education

Aequus provides new directors with an orientation program upon joining the Company that includes copies of relevant financial, technical and other information regarding its product candidates, development and in-licensed products, as well as meetings with management.

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

Ethical Business Conduct

The Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

Aequus has also adopted a code of conduct and ethics (the "**Ethics Code**"). The Ethics Code serves to emphasize the Company's commitment to ethics and compliance with the law as well as setting forth basic standards of ethical and legal behaviour. All individuals representing the Company are expected to abide by all applicable provisions of the Ethics Code and adhere to its principles and values when representing the Company to the public or performing services for, or on behalf of, Aequus. The Board will review the effectiveness of the Ethics Code on an ongoing basis to ensure that the Company's business activities are conducted in accordance with the principles and rules set out therein. A copy of the Ethics Code can be found on the Company's website at www.aequuspharma.ca or upon request from Ann Fehr, the Company's Chief Financial Officer ("**CFO**"), at telephone no: (604) 336-7906 or fax no. (604) 563-5033.

Nomination of Directors

It is the view of the Board that all directors, individually and collectively, should assume responsibility for nominating directors. The Board is responsible for identifying and recommending potential nominees for directorship and senior management.

Compensation

Compensation matters are currently determined by the entire Board. The Board is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. The Board will ensure that Aequus has a plan for the continuity of its officers and a compensation plan that is motivational and competitive.

Notwithstanding the foregoing, the Board has established and may establish in the future an *ad hoc* compensation committee if and when the compensation of Doug Janzen and Anne Stevens, the Company's CEO and Chief Operating Officer ("**COO**"), respectively, is reviewed. This review is conducted in the context of the services that Mr. Janzen and Ms. Stevens provide in the context of market rates for persons of similar qualifications performing similar services. Once the *ad hoc* compensation committee has finished its review, it submits its recommendation to the Board for final approval. In connection with the Board's final approval, Mr. Janzen and Ms. Stevens have and will declare their interest in the matter to the Board and recuse themselves from voting on their compensation. Prior to November 30, 2016, this review related to the compensation of Northview GP, which provided services to the Company through Mr. Janzen and Ms. Stevens. Subsequent to December 1, 2016, the Board has and will review in the same manner the compensation paid to Northview Ventures Inc. ("**Northview Inc.**") and Crecera Consulting Inc. ("**Crecera**"), companies controlled by Mr. Janzen and Ms. Stevens, respectively, that provide services to the Company. See "*Statement of Executive Compensation – Compensation Discussion and Analysis – External Management Contracts*".

Assessments

The Board and each individual director are regularly assessed regarding their effectiveness and contribution. The assessment considers and takes into account:

- in the case of the Board, its mandate and charter; and
- in the case of an individual director, the applicable position description(s), if any, as well as the competencies and skills each individual director is expected to possess.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

External Management Contracts

For the fiscal year ended December 31, 2018, certain of the Company's NEOs (as defined below) consisted of individuals employed by Northview Inc. and A. Fehr & Associates Ltd. ("**Fehr & Associates**").

Other than Mr. Ian Ball, the Company's Chief Commercial Officer, and Anne Stevens, the Company's Chief Operating Officer, the Company had no employment or consulting agreements with its executive officers and the Company did not pay any cash compensation to any individuals serving as the Company's officers, directly. Rather, those individuals were provided with cash compensation by Northview Inc. and Fehr & Associates, as applicable. Particulars of the agreements between the Company and each of these entities are provided below.

Services Agreement

Prior to its termination effective November 30, 2016, Northview GP's employees, including but not limited to Doug Janzen and Anne Stevens, directed the affairs and manage the Company's business and administered or arranged for the administration of the Company's day-to-day operations pursuant to a Management Services Agreement, effective September 1, 2014 and amended effective March 11, 2015 and February 1, 2016, among the Company, Northview GP, Doug Janzen and Anne Stevens (the "**Services Agreement**"). Northview GP is an entity which invests in and provides strategic advisory services to a number of life sciences companies. Doug Janzen is Co-founder and Managing Director of Northview GP and Anne Stevens is Co-founder and Senior Partner of Northview GP. Northview GP is located at 2820-200 Granville Street, Vancouver, British Columbia, V6C 1S4.

Under the Services Agreement, Aequus appointed Northview GP, as the service provider, to arrange for the following services (the "**Services**") provided by Doug Janzen and Anne Stevens and other Northview GP employees (the "**Consultants**"): (a) to purchase (at Aequus' expense) and maintain for the benefit of Aequus all legally or contractually required insurance, including all workers' compensation and such additional insurance as set forth in the insurance strategy approved by Aequus; (b) provide advisory services with respect to, and coordination and administration of Aequus assets; (c) arrange for and negotiate, on behalf of and in the name of Aequus, all contracts with third parties for the proper management and operation of Aequus assets; (d) provide on-site and office supervision of all work conducted in respect of the management services; (e) generally provide such services as are required to carry out the business and affairs of Aequus and in accordance with the corporate objectives from time to time approved by Aequus; and (f) perform such other management services provided for in the Services Agreement or in furtherance of or incidental to, or that is necessary or desirable in respect of, the conduct and oversight of operations for and on behalf of and in the name of Aequus as may be directed by Aequus.

Pursuant to the Services Agreement, Aequus paid a monthly base management fee to Northview GP equal to \$37,000 per month for the period of February 1, 2016 until the expiry of the Services Agreement on November

30, 2016. Prior to February 1, 2016, Northview GP was paid \$27,000 per month. Aequus also reimbursed all expenses incurred by Northview expressly for the purpose of providing the Services at cost and authorized in advance by Aequus.

The Services Agreement contained indemnification provisions whereby each party would indemnify the other against any loss, expense, damage or injury suffered in the scope of its authority under the Services Agreement. The obligation of Aequus to indemnify Northview and the Consultants does not apply to any claims, actions, losses, expenses, costs, or damages resulting from (i) Doug Janzen's and/or Anne Stevens' actions as directors of Aequus or (ii) the gross negligence, wilful misconduct or other fraudulent act of Northview GP or the Consultants.

Effective February 1, 2016, until the expiration of the Services Agreement on November 30, 2016, the Company and Northview GP agreed to revised milestones (the "**Revised Milestones**"). Under the Revised Milestones, the Company was required pay Northview GP the following incentive bonuses: (i) \$50,000 upon the initiation of formulation optimization, whether with Corium or another manufacturing partner for either transdermal or other delivery system that reformulates a currently approved drug in a therapeutic area that complements Aequus' current pipeline; (ii) \$60,000 upon the listing for trading of the Common Shares on the TSX-V; (iii) \$50,000 upon the completion of any offering of securities of Aequus raising aggregate gross proceeds of more than \$2,000,000; (iv) ten percent of the consideration paid to Aequus, up to a maximum of \$100,000, paid upon the execution by Aequus and a third party of any agreement for the licensing, sale, or assignment of an Aequus pipeline product; (v) two percent of any consideration paid to Aequus in a transaction pursuant in a sale of substantially all of its assets or a change of control transaction or an amalgamation, merger or transaction with similar effect; (vi) \$50,000 in each case upon the execution of an in-license, cross-license, or asset acquisition of a commercial stage, near-commercial or clinical stage program for marketing and promotion in Canada; and (vii) additional incentive bonuses in an amount and upon the achievement of specified milestones to be determined by, and in the sole discretion of, the Board from time to time.

Northview GP was paid \$50,000 on January 25, 2016 upon the completion of an offering of securities of Aequus raising aggregate gross proceeds of more than \$2,000,000. Northview GP earned \$50,000 on September 13, 2016 upon the completion of an offering of securities of Aequus raising aggregate gross proceeds of more than \$2,000,000. Northview GP earned \$50,000 on November 15, 2016 for the milestone achieved in connection with the Company entering into a services agreement with Corium International, Inc. for the manufacturing of clinical trial materials for Aequus' transdermal doxylamine/pyridoxine long-acting patch, AQS1303. In connection with this milestone, the Company and Northview GP agreed to pay \$25,000 of this incentive bonus amount to Transdermal Pharma Research Laboratories LLC ("**TRPL**"), a Company controlled by Dr Fotios Plakogiannis, former director of the Company and Dr. Rodoula Plakogiannis, current director of the Company.

Northview Ventures Inc. Consulting Agreement

Effective December 1, 2016, the Company entered into a consulting agreement with Northview Inc. (the "**Northview Agreement**"), pursuant to which Northview Inc. has seconded Doug Janzen to the Company. Northview Inc. is controlled by Mr. Janzen, who is the Chairman, President, and Chief Executive Officer of the Company. Northview Inc. was compensated at a monthly rate of \$25,000 from December 1, 2016 to March 31, 2017, and \$15,000 per month thereafter. Northview Inc. is also eligible to receive an incentive bonus upon the satisfaction of specified milestones as may be determined by the Board from time to time. Northview Inc. is located at 200-2820 Granville Street, Vancouver, British Columbia, V6C 1S4.

Credera Consulting Inc. Agreement

Effective December 1, 2016 until September 30, 2017, the Company entered into a consulting agreement with Credera (the "**Credera Agreement**"), pursuant to which Credera has seconded Anne Stevens to the Company. Credera is controlled by Anne Stevens, who is the Corporate Secretary, Chief Operating Officer and a director of the Company. Credera was compensated at a monthly rate of \$12,000 from December 1, 2016 to March 31,

2017, and \$12,500 per month thereafter. Crecera is located at 200-2820 Granville Street, Vancouver, British Columbia, V6C 1S4.

Stevens Agreement

The Crecera Agreement was terminated on September 30, 2017, after which Ms. Stevens became an employee of the Company, at a salary of \$12,500 per month pursuant to an employment agreement (the “**Stevens Agreement**”).

Fehr & Associates Agreement

Aequus entered into an agreement (the “**Fehr Agreement**”) with Fehr & Associates effective July 22, 2016, pursuant to which Fehr & Associates has assumed responsibility of the Company’s accounting department services, which includes ongoing technical accounting support for regulatory filings and day to day administration and bookkeeping. Under the Fehr Agreement, Ann Fehr, Principal of Fehr & Associates, assumed the role of CFO of the Company effective as of July 22, 2016. Ms. Fehr’s responsibilities as CFO under the Fehr Agreement include ongoing accounting, risk management, financial reporting, maintenance of internal accounting procedures and preparation of required financial reporting and information circulars. Fehr & Associates is located at 200-2820 Granville Street, Vancouver, British Columbia, V6C 1S4.

In consideration for the services provided to the Company by Ann Fehr as CFO, Fehr & Associates receives \$1,000 per month plus \$100 per hour for any services rendered to the Company by Ms. Fehr. This hourly rate may be increased after two years. Other representatives of Fehr & Associates that provide services to the Company will be invoiced to the Company at an hourly rate depending on the nature of the services provided.

Ball Agreement

The Company and Ian Ball, the Company’s Chief Commercial Officer, are parties to the Ball Agreement, pursuant to which, among other things, Mr. Ball provides the Company with business development services normally assumed by the Chief Commercial Officer, which includes strategy, planning, and implementation of the Company’s commercial development, sales and marketing activities.

In consideration for providing his services, Mr. Ball receives \$12,000 per month from the Company. Mr. Ball is also eligible to receive Options and/or cash payments as determined by the CEO and/or the Board commensurate with those allocated or payable to other senior executives of the Company and based on annual corporate and individual objectives.

Compensation of Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. “Named Executive Officer” is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year.

For the fiscal year ended December 31, 2018, the Company had the following Named Executive Officers (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- Doug Janzen, President, Chief Executive Officer, Chairman and Director of Aequus;

- Ann Fehr, Chief Financial Officer;
- Anne Stevens, Chief Operating Officer, Corporate Secretary and Director of Aequus; and
- Ian Ball, Chief Commercial Officer.

Compensation Governance

At this time, Aequus has not established a permanent compensation committee of the Board. The Board has established and may establish in the future an *ad hoc* compensation committee if and when the compensation of Anne Stevens and Northview Inc., a company controlled by Doug Janzen, is reviewed. The *ad hoc* compensation committee reviews the compensation of Northview Inc. and Anne Stevens and provides a recommendation to the Board. See “*Statement of Corporate Governance Practices – Compensation*” above.

All compensation matters are dealt with by the entire Board, including compensation of the Board itself. The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer. Factors that are taken into consideration when making compensation decisions include:

- the financial resources available or expected to be available to the Company;
- the current market and economic environment;
- comparative compensations levels for companies of Aequus’ size in the biopharmaceutical industry;
- the capabilities of individual contributors to the Company’s success;
- the reasonable compensation expectations of the individual contributor; and
- relative equity with other Aequus contributors.

Objectives

The objectives of the Company’s NEO compensation program are to: (a) attract, motivate and retain high-calibre NEOs; (b) align the interests of the NEOs with those of the Company’s shareholders; and (c) incentivise the NEOs to continuously improve operations and execute on corporate strategy. The NEO compensation program is, therefore, designed to reward the NEOs for increasing shareholder value, and improving operations and executing on corporate strategy.

Philosophy

The philosophy used by the Board in determining compensation is that the compensation should (i) reflect the Company’s current state of development, (ii) reflect the Company’s performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the shareholders of the Company, (v) assist the Company in retaining key individuals, and (vi) reflect the Company’s overall financial status.

Elements of Compensation

Cash Compensation

For the fiscal year ended December 31, 2018, the cash compensation of the NEOs (other than Mr. Ian Ball and Anne Stevens) was paid by Northview Inc., or Fehr & Associates, as applicable, from their revenues. As private companies, Northview Inc. and Fehr & Associates’ compensation decisions were made independently of Aequus. None of Northview Inc. and Fehr & Associates had a specific formula for determining the amount of

compensation, nor did they have a formal approach for determining how the compensation fit into the overall compensation objectives in respect of the activities of the Company. For the periods subsequent to December 31, 2018, objectives and performance measures may vary as determined to be appropriate by Northview Inc. and Fehr & Associates' management, as applicable.

Mr. Ian Ball, the Company's Chief Commercial Officer, receives \$12,000 per month pursuant to the terms of the Ball Agreement. Mr. Ball's monthly remuneration is reviewed from time to time by the Board, which takes consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of Mr. Ball. The cash compensation for Mr. Ball is not evaluated against a formal "peer group".

Ms. Anne Stevens, the Company's Chief Operating Officer, was compensated at a monthly rate of \$12,500 from October 1, 2017 to August 31, 2018 and then \$10,499 thereafter.

Performance-Based Cash Bonuses

The Company may elect to utilize cash bonuses when appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated development stage life-sciences companies or any other factors the Company may consider appropriate at the time such performance-based bonuses are decided upon.

Other than as disclosed above under "*External Management Contracts*", no cash bonuses were paid to the NEOs for the financial year ended December 31, 2018. As of the date hereof, in respect of the current financial year, the Company has not set any pre-agreed milestones with its NEOs in connection with the payment of cash bonuses.

Stock Options

Stock options are a key compensation element for Aequus. As many of the most capable individuals in Aequus' industry work for pharmaceutical companies who can offer attractive cash and bonus compensation and a high level of employment security, stock options represent a compensation element that balances the loss of employment security that such individuals must accept when moving to a small development-stage company like Aequus. Stock options are also an important component of aligning the objectives of Aequus executive officers and consultants with those of shareholders. Aequus has and expects to continue to provide significant stock option positions to its executive officers and consultants. The precise amount of stock options to be offered will be governed by the importance of the role within Aequus, by the competitive environment within which Aequus operates, and by the regulatory limits on stock option grants that cover organizations such as Aequus. When considering an award of options to an executive officer, consideration of the number of options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

The Company did not granted any Options to its NEOs during the fiscal year ended December 31, 2018.

See "*Securities authorized for issuance under equity compensation plans - Stock Option Plan*" for a summary of the key terms of the Company's Stock Option Plan (as defined under that heading). At the Meeting, shareholders will be asked to consider, and if deemed fit, pass an ordinary resolution approving the Amended and Restated Stock Option Plan. See "*Amendment and Restatement of Stock Option Plan*".

Link to Overall Compensation Objectives

Each element of the executive compensation program has been described to meet one or more objectives of the overall program. The cash compensation and, if applicable, performance-based cash bonuses, that have been or will be paid to Northview GP, Northview Inc., Crecera, Fehr & Associates, Anne Stevens and Mr. Ian Ball in consideration for the services provided to the Company by the NEOs, combined with the granting of Options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Compensation Risks

In making its compensation-related decisions, the Board carefully considers the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives or consultants who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives or consultants, and the financial risks connected to the Company's operations, of which compensation is an important part.

In adopting the compensation policy described above, the principal risks identified by Aequus are:

- that the Company will be forced to raise additional funding (causing dilution to shareholders) in order to attract and retain the calibre of executives and consultants that it seeks;
- that Northview Inc., and Fehr & Associates' compensation objectives will not align with the compensation objectives of Aequus;
- that the Company will have insufficient funding to achieve its objectives; and
- that pursuant to the Stock Option Plan and, if approved by shareholders of the Company at the Meeting, the Amended and Restated Stock Option Plan, no more than an aggregate of 10% of the number of issued and outstanding Common Shares may be reserved for issuance upon exercise of Option grants made to insiders of the Company. Such limitations may mean that the Company will not have a sufficient number of Options available to attract qualified executives.

After careful consideration of these risks, the Board has adopted the compensation policy described above which includes safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- Northview Inc.'s and Anne Stevens' compensation is reviewed by the entire board or an *ad hoc* compensation committee as required. Doug Janzen, Managing Director of Northview Inc., and Anne Stevens have and will declare their interest in such matters and recuse themselves from voting on any Board decisions with respect to Northview Inc. and Anne Stevens' compensation; and
- adoption of a stock option vesting pursuant to which incentive stock options granted to executive officers and management vest over time which discourages excessive risk-taking to achieve short-term goals.

Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board, at which, activity by the executives must be approved by the Board if such activity is outside previously Board-approved actions and/or as set out in a Board-approved budget. Given the current composition of the Company's executive management team, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation practices. Risks, if any, may be identified and mitigated through regular Board and Audit Committee meetings during which financial and other information of the Company is reviewed, including executive compensation.

NEO Summary Compensation Table

The following table sets out certain information respecting the compensation paid to the NEO's during the three most recently completed financial years.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁵⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Doug Janzen ⁽¹⁾⁽²⁾ Chief Executive Officer, President, Director	2018	180,000	Nil	Nil	Nil	Nil	Nil	Nil	180,000
	2017	210,000	Nil	48,036	Nil	Nil	Nil	Nil	258,036
	2016	377,703	Nil	Nil	Nil	Nil	Nil	Nil	377,703
Ann Fehr Chief Financial Officer	2018	96,558	Nil	Nil	Nil	Nil	Nil	Nil	96,558
	2017	43,880	Nil	16,012	Nil	Nil	Nil	Nil	59,892
	2016	60,113	Nil	40,746	Nil	Nil	Nil	Nil	100,859
Anne Stevens ⁽¹⁾⁽²⁾ Chief Operating Officer, Corporate Secretary and Director	2018	141,798	Nil	Nil	Nil	Nil	Nil	Nil	141,798
	2017	148,500	Nil	48,036	Nil	Nil	Nil	Nil	196,536
	2016	181,297	Nil	51,717	Nil	Nil	Nil	Nil	233,014
Ian Ball Chief Commercial Officer	2018	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000
	2017	144,000	Nil	48,036	Nil	Nil	Nil	Nil	192,036
	2016	144,000	Nil	51,718	Nil	Nil	Nil	Nil	195,718

Notes:

- (1) Although Doug Janzen and Anne Stevens also serve as directors of the Company, they do not receive any compensation for their duties as directors or for attendance at board or committee meetings.
- (2) For the period of January 1, 2016 to November 30, 2016, Doug Janzen and Anne Stevens' services to the Company were provided by Northview GP, an external management company, of which Mr. Janzen is the Co-founder and Managing Director and Anne Stevens is the Co-founder and Senior Partner. Mr. Janzen and Ms. Stevens received their salary through Northview GP and option-based awards directly from the Company. In consideration for the services provided by Northview GP to the Company for the period of January 1, 2016 to November 30, 2016, Northview GP invoiced an aggregate total of \$522,000 in fees to the Company during the fiscal year ended December 31, 2016. Effective December 1, 2016, Doug Janzen and Anne Stevens' services to the Company were provided by Northview Inc. and Crecera, respectively. In consideration for the services provided by Northview Inc. and Crecera to the Company for the period of December 1, 2016 to December 31, 2016, Northview Inc. and Crecera were paid an aggregate total of \$25,000 and \$12,000 in fees, respectively, by the Company. See "*External Management Contracts – Management Services Agreement*" above. Effective October 1, 2017 the contract with Crecera was terminated and Anne Stevens entered into an employment contract with the Company. During the year ended December 31, 2018 Crecera received \$nil (2017 - \$37,500) in salaries. During the year ended December 31, 2018, Ms. Stevens received \$141,798 in salaries (2017 - \$37,500)
- (3) The fair value of the option based awards is estimated as at the date of the option grant using the Black-Scholes option pricing model where the calculation assumptions for 2017 were: exercise price and market value at \$0.195 the volatility at 92.43% and the interest rate was 1.64%. The calculation assumptions for 2016 were: exercise price and market value at \$0.47 & \$0.55, the volatility at 86.83% & 100% and the interest rate was 0.63% & 1.02%.

NEO Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year.

Option-based Awards ⁽¹⁾				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾
Doug Janzen Chief Executive Officer, President, Director	240,000	0.35	December 12, 2021	Nil
	300,000	0.195	December 6, 2025	Nil
Ann Fehr Chief Financial Officer	75,000	0.35	July 22, 2024	Nil
	100,000	0.195	December 6, 2025	Nil
Anne Stevens Chief Operating Officer and Director	1,124,337	0.25	May 31, 2020	Nil
	160,000	0.35	December 12, 2021	Nil
	140,000	0.47	April 21, 2024	Nil
	300,000	0.195	December 6, 2025	Nil
Ian Ball Chief Commercial Officer	140,000	0.47	April 21, 2024	Nil
	300,000	0.195	December 6, 2025	Nil

Notes:

- (1) The Company has not granted any share-based awards.
- (2) The value of unexercised in-the-money options is determined by calculating the intrinsic value of each option (market price less exercise price). The closing price of the common shares on the TSX-V on December 31, 2018, the last trading day of the Company's fiscal year was \$0.155.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Doug Janzen Chief Executive Officer, President, Director	Nil	Nil	Nil
Ann Fehr Chief Financial Officer	Nil	Nil	Nil
Anne Stevens Chief Operating Officer and Director	Nil	Nil	Nil
Ian Ball Chief Commercial Officer	Nil	Nil	Nil

Notes:

- (1) Represents the intrinsic value, if any, of each option vested during the year (market price on the vesting date less exercise price).
- (2) The Company has not granted any share-based awards.

Hedging by NEOs or Directors

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Defined Benefits Plans

Aequus currently does not have a defined benefits pension plan.

Defined Contribution Plans

Aequus currently does not have a defined contribution plan.

Deferred Compensation Plans

Aequus currently does not have a deferred compensation plan.

Pension Plan Benefits

Aequus does not have any deferred compensation plan or any pension plans that provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

Except as described below, there are no contracts, agreements, plans or arrangements that provide for payments to an NEO at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities (excluding perquisites and other personal benefits if the aggregate of this compensation is less than \$50,000).

Northview Inc.

Under the Northview Agreement, upon a Change of Control (as defined below) all unvested stock options held by Mr. Janzen will immediately vest. If within 12 months following a Change of Control of the Company, the Northview Inc.'s contract is terminated by the Company without Cause (as defined in the Northview Agreement), Northview Inc. will receive severance in the form of a lump sum payment equivalent to twelve months consulting fees as at the rate in place at the date of termination to be effective on the date following the communication of same.

A "Change of Control" is defined in the Northview Agreement and the Crecera Agreement as: (a) the acquisition, directly or indirectly, by any person or group of persons acting jointly or in concert, as such terms are defined in the *Securities Act* (British Columbia), of the Common Shares which, when added to all other Common Shares at the time held directly or indirectly by such person or persons acting jointly or in concert, constitutes for the first time in the aggregate 50% or more of the outstanding Common Shares and such shareholding exceeds the collective shareholding of the current directors of the Company, excluding any directors acting in concert with the acquiring party; (b) the removal, by special resolution of the shareholders of the Company, of more than 51% of the then incumbent Board, or the election of a majority of Board members to the Company's board who were not nominees of the Company's incumbent board at the time immediately preceding such election; or (c) consummation of a sale of all or substantially all of the assets of the Company; or

Notes:

- (1) The fair value of the option based awards is estimated as at the date of the option grant using the Black-Scholes option pricing model where the calculation assumptions were: exercise price and market value at \$0.20 the volatility at 95.57% and the interest rate was 2.20%.

Aequus' directors are reimbursed for expenses incurred on Aequus' behalf. No additional fees, including meeting fees, are paid to directors.

Each independent director is entitled to participate in any security-based compensation arrangement or other plan adopted by Aequus with the approval of the Board and/or Aequus' shareholders, as may be required by applicable law or TSX-V policies.

Incentive Plan Awards Outstanding

The following table sets out the option-based awards made by the Company to the directors which were outstanding as at December 31, 2018.

Option-based Awards⁽¹⁾				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)⁽²⁾
Damien King	350,000	0.20	July 23, 2026	Nil
Rodoula Plakogiannis	100,000	0.195	December 6, 2025	Nil
Christopher Clark	350,000 100,000	0.55 0.195	December 18, 2022 December 6, 2025	Nil Nil
Jason Flowerday	350,000 100,000	0.55 0.195	March 6, 2023 December 6, 2025	Nil Nil

Notes:

- (1) The Company has not granted any share-based awards.
 (2) The value of unexercised in-the-money options is determined by calculating the intrinsic value of each option (market price less exercise price). The closing price of the common shares on the TSX-V on December 31, 2018, the last trading day of the Company's fiscal year was \$0.155.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the aggregate dollar value that would have been realized by each director if they exercised, on the applicable vesting dates, those options held by them under option-based awards, which vested during the most recently completed financial year ended December 31, 2018.

Name	Option-based awards – Value vested during the year (\$)⁽¹⁾	Share-based awards – Value vested during the year (\$)⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Damien King	Nil	Nil	Nil
Rodoula Plakogiannis	Nil	Nil	Nil
Christopher Clark	Nil	Nil	Nil
Jason Flowerday	Nil	Nil	Nil

Notes:

- (1) Represents the intrinsic value, if any, of each option vested during the year (market price on the vesting date less exercise price).
 (2) The Company has not granted any share-based awards.

Narrative Discussion

The Company granted the following Options to its non-NEO directors during the fiscal year ended December 31, 2018:

<u>NEO</u>	<u>Options</u>
Damien King	350,000 Options (\$0.20 exercise price per Common Share, expiring July 23, 2026)

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company’s current amended and restated Stock Option Plan was approved by the Board on June 12, 2017 and most recently approved by the shareholders of the Company on July 12, 2017. The Stock Option Plan has been adopted by the Board to assist in attracting, retaining and motivating directors, officers, employees and consultants and to closely align their personal interests with those of the Company’s shareholders by providing them with Options to purchase Common Shares. For an overview of the material terms of the Stock Option Plan, see the heading “*Stock Option Plan*”.

Equity Compensation Plan Information

The following table sets out equity compensation plan information as at December 31, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	7,998,278	0.30	4,001,722
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	7,998,278	0.30	4,001,722

Stock Option Plan

The following disclosure describes the material provisions of the Stock Option Plan.

Aequus’ Stock Option Plan is administered by an administrator on the instructions of the Board. The Board has final authority and discretion, subject to the express provisions of its Stock Option Plan, to interpret the Stock Option Plan and to make all other determinations deemed necessary or advisable for the administration of the Company’s Stock Option Plan. This includes the discretion of the Board to decide who will participate in the Stock Option Plan, which may include directors, officers, employees and consultants (the “**Participants**”). The Board also has authority to delegate its duties to a committee or to the administrator for certain matters.

The Stock Option Plan is a “fixed number plan” pursuant to which a maximum of 12,000,000 Common Shares, being approximately 14.9% of the issued and outstanding Common Shares as of the Record Date, may be reserved for issuance pursuant to Options. Under the Stock Option Plan, no more than an aggregate of 10% of

the number of issued and outstanding Common Shares may be reserved for issuance upon exercise of Option grants made to Insiders (as such term is defined by the policies of the TSX-V).

Options granted under the Stock Option Plan are non-transferable, expire no later than ten years from the date of issuance and are exercisable as determined by the Board. Options granted under the Stock Option Plan are evidenced by an option agreement entered into between the Participant and the Company.

The exercise price of any Option must not be lower than the last closing sales price for the Common Shares as quoted on the TSX-V for the market trading day immediately prior to the date of grant of the option. In addition, Options to acquire more than 2% of the issued and outstanding Common Shares may not be granted to any one consultant in any 12-month period and Options to acquire more than an aggregate of 2% of the issued and outstanding Common Shares may not be granted to persons employed to provide Investor Relations Activities (as such term is defined by the policies of the TSX-V) at any one time. Options granted to acquire more than 5% of the issued and outstanding Common Shares may not be granted to any one individual in any 12-month period, unless the Company has obtained disinterested shareholder approval.

Options under the Stock Option Plan terminate on the earlier of (i) the termination date specified in the option agreement between the Participant and the Company, subject to the termination date occurring during a blackout period, in which case the termination date would be extended to ten business days after the last day of the blackout period; (ii) where the Participant's position as an employee, consultant, director or officer of the Company is terminated for just cause, the date of such termination for just cause; (iii) where the Participant's position as an employee, consultant, director or officer of the Company is terminated for a reason other than the Participant's disability, death or termination for just cause, 90 days after such date of termination; and (iv) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation of the Participant's Option in violation of the Stock Option Plan. In the case of termination of the Participant's employment by reason of death or disability, Options may be exercised no later than 12 months following the date of death or disability, by the legal guardian or legal representative of the estate of the Participant, as applicable, provided that, in the case of death of the Participant, the exercise period of any Option shall not extend beyond ten years from the date the Option was granted.

The Stock Option Plan also provides for adjustments to outstanding Options in the event of alteration in the capital structure of Aequis, a merger, arrangement or amalgamation involving Aequis or Aequis' entering into a plan of arrangement. Moreover, upon a change of control, all Options outstanding under the Stock Option Plan shall become immediately exercisable, subject to TSX-V approval.

The Board may, at their discretion, but subject to the policies of the TSX-V, at the time of any grant, impose a schedule over which period of time Options will vest and become exercisable by the Participant; however, for so long as the Common Shares are listed on the TSX-V, Options granted to persons performing Investor Relations Activities must vest in stages over a 12-month period with no more than one quarter of the Options vesting in any three month period.

Subject to any required approval of the TSX-V, the Board may terminate, suspend or amend the terms of the Stock Option Plan, provided that for certain amendments, the Board must obtain shareholder approval, and, where required, disinterested shareholder approval.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

As of the date of this Information Circular, there is no indebtedness owing to the Company from any of our current, or former, officers, directors, or employees, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, and no associate of any such director or officer is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company, and no such persons owe a debt to another entity, which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out herein and below, to the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the financial year ended December 31, 2018, or has any interest in any material transaction in the current year.

On March 2, 2017, in connection with the Company's previously announced research services contract dated August 1, 2013, with TRPL, the Company entered into a term sheet to acquire an exclusive world-wide license to a transdermal patch containing cannabinoids for use in the treatment of epilepsy, Multiple Sclerosis and certain other neurological disorders.

TRPL was founded by Dr. Fotios Plakogiannis, President of TRPL, and Dr. Rodoula Plakogiannis, Director of TRPL, to hold certain intellectual property assigned to TRPL from Alpha and Omega Pharmaceutical Consultants Inc., a company owned by Dr. Fotios Plakogiannis. Dr. Fotios Plakogiannis and Dr. Rodoula Plakogiannis are responsible for directing and managing the research and business operations, and own a combined 58.2%, of TRPL. Charlie Perperidis, Peter Wilson, Alexander Goumeniouk and Anne Stevens hold the remaining 33.44% of TRPL. Doug Janzen was a Director of TRPL from March 3, 2013 to August 2017.

MANAGEMENT CONTRACTS

Except as set out herein under the heading "*Statement of Executive Compensation – Compensation and Analysis – External Management Contracts*", there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is included in the Company's audited financial statements for the year ended December 31, 2018 and management's discussion and analysis, copies of which are available on SEDAR or upon request from Ann Fehr, the Company's CFO, at telephone no: (604) 375-5578 or fax no. (604) 336-7906. The Company may require payment of a reasonable charge from any person or company requesting copies of such documents, who is not a security holder of the Company.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

DIRECTOR'S APPROVAL

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, June 26, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Doug Janzen*"

Doug Janzen
Chief Executive Officer

SCHEDULE "A"

Audit Committee Charter

I. Purpose

The main objective of the Audit Committee is to act as a liaison between the Board and the Company's independent auditors and to assist the Board in fulfilling its oversight responsibilities with respect to the financial statements and other financial information provided by the Company to its shareholders and others.

II. Organization

The Audit Committee shall consist of three or more Directors and shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange requests and any other regulatory requirements applicable to the Audit Committee of the Company.

The members of the Audit Committee and the Chair of the Audit Committee shall be appointed by the Board. A majority of the members of the Audit Committee shall constitute a quorum. A majority of the members of the Audit Committee shall be empowered to act on behalf of the Audit Committee. Matters decided by the Audit Committee shall be decided by majority votes.

Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee as soon as such member ceases to be a Director.

The Audit Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Audit Committee shall meet as frequently as circumstances require.

The Audit Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Audit Committee.

The Company's accounting and financial officer(s) and independent auditors shall attend any meeting when requested to do so by the Chair of the Audit Committee.

IV. Responsibilities

1. The Audit Committee shall recommend to the Board:
 - a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - b) the compensation of the external auditor.
2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

4. The Audit Committee must review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
5. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (4), and must periodically assess the adequacy of those procedures.
6. The Audit Committee must establish procedures for:
 - a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. An audit committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

V. Authority

The Audit Committee shall have the following authority:

- a) to approve interim financial statements,
- b) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- c) to set and pay the compensation for any advisors employed by the Audit Committee, and
- d) to communicate directly with the external auditors.

SCHEDULE “B”

Amended and Restated Stock Option Plan

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the meanings set forth below:

- (a) “**Administrator**” means, initially, the Chief Executive Officer of the Company and thereafter will mean such Director or other senior Officer or Employee of the Company as may be designated as Administrator by the Board from time to time.
- (b) “**Affiliate**” shall have the meaning ascribed to such term in the policy manual of the TSX-V.
- (c) “**Award Date**” means the date on which the Board awards a particular Option or such other effective award date determined by the Board.
- (d) “**Blackout Period**” means a period during which the Company prohibits Optionees from exercising their stock options.
- (e) “**Board**” means the board of directors of the Company, or any committee thereof to which the board of directors of the Company has delegated the power to administer and grant Options under the Plan.
- (f) “**Cause**” means:
 - (i) Cause as such term is defined in the written employment agreement between the Company and the Option Holder; or
 - (ii) in the event there is no written employment agreement between the Company and the Option Holder or Cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Option Holder is employed.
- (g) “**Change of Control**” includes situations where after giving effect to a transaction and as a result of such transaction (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company; or (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor; where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement,

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commitment or understanding, holding more than 20% of the Common Shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company.

- (h) “**Code**” has the meaning given to that term under Section 3.12.
- (i) “**Common Share**” or “**Common Shares**” means, as the case may be, one or more Common Shares Without Par Value in the capital of the Company.
- (j) “**Company**” means Aequus Pharmaceuticals Inc., a company incorporated under the laws of the Province of British Columbia.
- (k) “**Consultant**” means an individual or Consultant Company, other than an Employee, a Director or an Officer, that:
 - (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Company or an Affiliate of the Company, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate of the Company and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention engaged with respect to the affairs and business of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (l) “**Consultant Company**” means for an individual Consultant, a company or partnership of which the individual Consultant is an employee, shareholder, unitholder or partner.
- (m) “**Director**” means any individual holding the office of director of the Company.
- (n) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity.
- (o) “**Employee**” means
 - (i) an individual who is considered an Employee of the Company or its subsidiary under the *Income Tax Act* (Canada);
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an Employee and who is subject to the same control and direction by the Company over the details and methods of work as an Employee of the Company, but for whom income tax deductions are not made at source;

- (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Company over the details and methods of work as an Employee of the Company, but for whom income tax deductions are not made at source; or
- (iv) a Management Company Employee.
- (p) “**Exercise Notice**” means the notice respecting the exercise of an Option, in the form set out as 0 hereto, duly executed by the Option Holder.
- (q) “**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date.
- (r) “**Exercise Price**” means the price at which an Option may be exercised as determined in accordance with Section 3.5.
- (s) “**Expiry Date**” means the date determined in accordance with Section 3.4 and after which a particular Option cannot be exercised.
- (t) “**Guardian**” means the legal guardian, if any, appointed for an Optionee.
- (u) “**Going Public Transaction**” means (i) the offering and sale to the public of securities of the Company, or direct listing application of the Company, in connection with which the securities of the Company are listed or quoted on an organized trading facility, (ii) a reverse takeover by the Company of any corporation listed on, or that obtains a listing of its principal voting securities on, an organized trading facility, (iii) the sale of all or substantially all of the issued and outstanding shares in the capital of the Company for securities that are listed or quoted on an organized trading facility, or (iv) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which securities of the resulting issuer from such transaction are listed or quoted on an organized trading facility.
- (v) “**Insider**” has the meaning ascribed to it in the policy manual of the TSX-V.
- (w) “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
 - a. to promote the sale of products or services of the Company; or
 - b. to raise public awareness of the Company,
 that cannot reasonably be considered to promote the purchase or sale of securities of the Company;

- (ii) activities or communications necessary to comply with the requirements of:
 - a. applicable securities laws; or
 - b. TSX-V requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or TSX-V having jurisdiction over the Company;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - a. the communication is only through the newspaper, magazine or publication; and
 - b. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the TSX-V.
- (x) “**ISO**” has the meaning given to that term under Section 3.12.
- (y) “**Management Company Employee**” means an individual employed by a Person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities.
- (z) “**Market Value**” means an amount which is not less than the closing market price for the Company’s Common Shares on the trading day prior to the date of grant of the Options.
- (aa) “**Offer**” has the meaning given to such term in Section 3.9(f).
- (bb) “**Officer**” means any individual who is serving as a duly appointed officer of the Company.
- (cc) “**Option**” means an option to acquire Common Shares, awarded to a Director, Employee or Consultant under the Plan.
- (dd) “**Option Certificate**” means the certificate, in the form set out as 0 hereto, evidencing an Option.
- (ee) “**Option Holder**” means a Director, Officer, Employee or Consultant, or former Director, Officer, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (ff) “**Optioned Shares**” has the meaning given to such term in Section 3.9(f).
- (gg) “**Optionee**” means a Person to whom an Option has been granted.
- (hh) “**Person**” means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor,

administrator, or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted.

- (ii) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by law or by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (jj) **“Plan”** means this stock option plan.
- (kk) **“Qualified Successor”** means a Person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death.
- (ll) **“Regulatory Authorities”** means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the Common Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company.
- (mm) **“Termination Date”** means:
 - (i) in the case of the resignation of the Option Holder’s employment or the termination of the Option Holder’s consulting or service contract by the Option Holder, the date that the Option Holder provides notice of such resignation or termination to the Company;
 - (ii) in the case of the termination of the Option Holder’s employment or consulting or service contract by the Company for any reason other than death or disability, the date that the Company delivers written notice of termination of the Option Holder’s employment or consulting or service contract to the Option Holder; or
 - (iii) in the case of the expiry of a fixed-term employment or consulting or service contract that is not renewed or extended, the last day of the term.
- (nn) **“Transfer”** includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of a security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntarily and whether or not for value, and any agreement to effect any of the foregoing, including any sale or exchange pursuant to a plan of arrangement, merger, consolidation, acquisition or similar transaction; and the words **“Transferred”**, **“Transferring”** and similar words have corresponding meanings.
- (oo) **“TSX-V”** means the TSX Venture Exchange.
- (pp) **“U.S. Participant”** has the meaning given to that term under Section 3.12.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan will be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees and Consultants, to reward such of those Directors, Officers, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Officers, Employees and Consultants to acquire Common Shares as long term investments.

2.2 Participation

The Board will, from time to time and in its sole discretion, which discretion may be delegated by the Board to the Administrator, determine those Directors, Officers, Employees and Consultants, if any, to whom Options are to be awarded.

2.3 Eligibility

Options may be granted to any Employee, Officer, Director or Consultant of the Company or any Affiliate of the Company. Notwithstanding this Section 2.3 and subject to Section 2.5(iv), grants of Options to Insiders shall be subject to the policies of the TSX-V.

2.4 No Violation of Securities Laws

No Option shall be granted unless the Board has determined that the grant of such Option and the exercise thereof by the Option Holder will not violate the securities laws of the jurisdiction in which the Option Holder resides.

2.5 Restrictions

The following restrictions on Option grants under the Plan apply:

- (i) unless the Company has obtained disinterested shareholder approval, a Person can receive grants of no more than 5% of the issued and outstanding share capital of the Company in any 12 month period;
- (ii) a Consultant can receive grants of no more than 2% of the issued and outstanding share capital of the Company in any 12 month period;

- (iii) no more than an aggregate of 2% of the number of issued and outstanding shares in the capital of the Company may be reserved for issuance upon exercise of Option grants made to Persons employed to conduct Investor Relations Activities at any one time; and
- (iv) no more than an aggregate of 10% of the number of issued and outstanding shares in the capital of the Company may be reserved for issuance upon exercise of Option grants made to Insiders.

2.6 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator will notify the Option Holder in writing of the award and will enclose with such notice the Option Certificate representing the Option so awarded.

2.7 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, will be provided with a copy of the Plan. A copy of any amendment to the Plan will be promptly provided by the Administrator to each Option Holder.

2.8 Limitation

The Plan does not give any Option Holder that is a Director or Officer the right to serve or continue to serve as a Director or Officer of the Company nor does it give any Option Holder that is an Employee the right to be or to continue to be employed with the Company, nor does it give any Option Holder that is a Consultant the right to have a consulting relationship with the Company or provide services to the Company.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Issue Common Shares

The Common Shares to be issued to Option Holders upon the exercise of Options will be authorized and unissued Common Shares the issuance of which will have been authorized by the Board.

3.2 Number of Common Shares

Subject to adjustment as provided for in Section 3.9 hereof, the maximum number of Common Shares that will be available for Directors, Officers, Employees and Consultants to acquire pursuant to Options will be 16,000,000 Common Shares, all of which may be made available for U.S. Participants to acquire pursuant to ISOs. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the Option was not exercised will again be available for the purposes of the Plan.

3.3 Option Details

With respect to each Option to be granted to an Optionee, the Board or committee shall specify the following terms in the Option between the Company and the Optionee:

- (a) the Award Date;
- (b) subject to Section 3.9, the term of the Option, provided that the Exercise Period shall in no event be greater than ten (10) years following the Award Date, conditional upon the Exercise Period terminating during a Blackout Period, in which case the Exercise Period would be extended to 10 business days after the last day of the Blackout Period;
- (c) the Exercise Price, provided that the Exercise Price shall not be less than the Market Value;
- (d) any vesting schedule contained in the Option Certificate upon which the exercise of an Option is contingent; provided that, subject to compliance with the policies of the TSX-V, the Board or committee shall have complete discretion with respect to the terms of any such vesting schedule, including, without limitation, discretion to:
 - (i) permit partial vesting in stated percentage amounts based on the term of such Option; and
 - (ii) permit full vesting after a stated period of time has passed from the Award Date;
- (e) if the Optionee in respect of an Option grant is an Employee or Management Company Employee, a representation by the Company that the Optionee is a *bona fide* Employee or Management Company Employee of the Company or subsidiary of the Company; and
- (f) such other terms and conditions as the Board or committee deems advisable and are consistent with the purposes of this Plan.

3.4 Termination of Options

To the extent not earlier exercised or terminated in accordance with Section 3.8 below, an Option shall terminate on the earliest of the following dates (the “**Expiry Date**”):

- (a) the Expiry Date specified for such Option in the Option Certificate, conditional upon the Expiry Date occurring during a Blackout Period, in which case the Expiry Date would be extended to ten (10) business days after the last day of the Blackout Period;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer of the Company or any Affiliate of the Company is terminated for just cause, the date of such termination for just cause;
- (c) where the Optionee's position as an Employee, Consultant, Officer or Director of the Company or any Affiliate of the Company terminates for a reason other than the Optionee's disability, death, or termination for just cause, 90 days after such date of termination, provided that if an Optionee's position with the Company changes from one of the said categories to another category, such change shall not constitute termination for the purpose of this subsection 3.4(c); and
- (d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 3.8 below.

3.5 Exercise Price

The price at which an Option Holder may purchase a Common Share upon the exercise of an Option will be as set forth in the Option Certificate issued in respect of such Option and in any event will not be less than the Market Value of the Common Shares as of the Award Date.

3.6 Additional Terms

Notwithstanding the foregoing sections of this Article 3, and subject to all applicable securities laws and regulations and the rules and policies of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein, provided that in no case will an Option be exercisable later than the tenth anniversary of the Award Date of the Option, conditional upon the Expiry Date occurring during a Blackout Period, in which case the Expiry Date would be extended to ten (10) business days after the last day of the Blackout Period;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events other than as provided for herein; and
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company.

3.7 Going Public Agreements

If the Company proceeds to list its Common Shares on a public stock exchange or commences a public offering, each Option Holder will promptly enter into all such escrow, pooling or other agreements as are required by the securities regulatory authorities, the exchange, the agents or the underwriters in connection with such listing or public offering.

3.8 Assignment of Options

Except as provided in this Section 3.8, Options are non-assignable and non-transferable.

- (a) *Death of Optionee* – If the employment of an Optionee as an Employee of the Company or any Affiliate of the Company, or the position of an Optionee as a Consultant, Director or Officer or any Affiliate of the Company, terminates as a result of his or her death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee, and shall be exercisable by the Qualified Successor for a period of 1 year following such death, provided that in no case shall the Exercise Period of the Options extend beyond ten years from the Award Date.
- (b) *Disability of Optionee* - If the employment of an Optionee as an Employee of the Company or any Affiliate of the Company, or the position of an Optionee as a Consultant, Director or Officer or any Affiliate of the Company, is terminated by the Company or any Affiliate of the Company by reason of such Optionee's Disability, any

Option held by such Optionee that could have been exercised immediately prior to such termination of service shall be exercisable by such Optionee, or by his Guardian, for a period of 1 year following the termination of service of such Optionee.

- (c) *Disability and Death of Optionee* - If an Optionee who has ceased to be employed by the Company or any Affiliate of the Company by reason of such Optionee's Disability dies within 30 days after the termination of such employment, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor for a period of 1 year following the death of such Optionee, provided that in no case shall the Exercise Period of the Option extend beyond ten years from the Award Date.
- (d) *Vesting* - Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.
- (e) *Deemed Non-Interruption of Employment* - Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Company or any Affiliate of the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then his or her employment shall be deemed to have terminated on the ninety-first day of such leave or on such later date as the Board may determine in its sole discretion.
- (f) *Retirement* - In the event of the termination of employment of an Optionee who is an Employee at any time during the term of an Option by reason of the deemed retirement of such Employee, as may be determined by the Board, in its sole discretion, then the rights to purchase Common Shares under the Option which have accrued to the Optionee and remain unexercised at, or which accrue subsequent to, the date of his retirement shall remain exercisable by the Optionee (or by the Optionee's Qualified Successors if the Optionee dies before the last date of exercise of the Option) for a period of one (1) year following the retirement of such Optionee in accordance with the terms of the Option.

3.9 Adjustments of Options

- (a) *Alteration in Capital Structure* – If there is any change in the Common Shares through or by means of a declaration of stock dividends of the Common Shares or consolidations, subdivisions or reclassifications of the Common Shares, or otherwise, the number of Common Shares available under the Plan, the Common Shares subject to any Option and the Exercise Price therefor shall be adjusted proportionately by the Board and, if required, approved by the TSX-V or any other stock exchange having authority over the Company or the Plan, and such adjustment shall be effective and binding for all purposes of the Plan.
- (b) *Effect of Amalgamation, Merger or Arrangement* – If the Company amalgamates, merges or enters into a plan of arrangement with or into another corporation, any Common Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation,

merger or arrangement if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.

- (c) *Acceleration on Change of Control* – Upon a Change of Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject. Any proposed acceleration of vesting provisions is subject to prior TSX-V acceptance.
- (d) *Acceleration of Date of Exercise* – The Board shall have the right to accelerate the date of vesting of any portion of any Option which remains unvested, subject to prior TSX-V acceptance.
- (e) *Determinations to be made by Board* – Adjustments and determinations under this Section 3.9(e) shall be made by the Board, whose decisions as to the adjustments or determination which shall be made, and the extent thereof, shall be final, binding and conclusive.
- (f) *Effect of a Take-over* - If a *bona fide* offer (the “**Offer**”) for Common Shares is made to an Optionee or to shareholders of the Company generally or to a class of shareholders of the Company which includes the Optionee, which Offer constitutes a take-over bid within the meaning of Section 92 of the British Columbia *Securities Act*, as amended from time to time, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise (the “**Optioned Shares**”) to the Offer. If:
 - (i) the Offer is not completed within the time specified therein; or
 - (ii) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the Exercise Price to the Optionee for such Optioned Shares.

3.10 Fractional Shares

No fractional Common Shares will be issued upon the exercise of an Option and accordingly, if as a result of an adjustment to an Option pursuant to Section 3.9, an Option Holder would become entitled to a fractional Common Share, such Option Holder will have the right to purchase only the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.11 Option Grant and Vesting Terms

Unless otherwise determined by the Board in accordance with the terms and conditions of this Plan, Options will be granted by the Board. The Board, subject to the policies of the TSX-V, may determine and impose terms upon which each Option shall become vested, provided that, if the Common Shares are listed on the TSX-V, Options granted to Persons employed to conduct Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 25% of the Options vesting in any three month period.

3.12 U.S. Participants

Any Option granted under the Plan to an Option Holder who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a “**U.S. Participant**”) may, at the sole discretion of the Company, be an incentive stock option (an “**ISO**”) within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, of the United States (the “**Code**”), but only if so designated by the Company in the Option Certificate evidencing such Option. No provision of this Plan, as it may be applied to a U.S. Participant with respect to Options which are designated as ISOs, shall be construed so as to be inconsistent with any provision of Section 422 of the Code or the Treasury Regulations thereunder. Grants of Options to U.S. Participants which are not designated as or otherwise do not qualify as ISOs will be treated as nonstatutory stock options for U.S. federal tax purposes. Notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to ISOs granted to each U.S. Participant:

- (a) ISOs shall only be granted to individual U.S. Participants who are, at the time of grant, employees of the Company within the meaning of the Code. Any Director of the Company who is a U.S. Participant shall be ineligible to vote upon the granting of such Option;
- (b) the aggregate fair market value (determined as of the time an ISO is granted) of the Common Shares subject to ISOs exercisable for the first time by a U.S. Participant during any calendar year under this Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Company shall not exceed One Hundred Thousand Dollars in U.S. funds (U.S.\$100,000);
- (c) the Exercise Price for Common Shares under each ISO granted to a U.S. Participant pursuant to this Plan shall be not less than fair market value of such Common Shares at the time the Option is granted, as determined in good faith by the Board at such time (unless such ISO is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code);
- (d) if any U.S. Participant to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company, then the following special provisions shall be applicable to the ISO granted to such individual:
 - (i) the Exercise Price (per share) subject to such ISO shall not be less than one hundred ten percent (110%) of the fair market value of one Common Share at the time of grant; and
 - (ii) for the purposes of this Section 3.12 only, the Exercise Period shall not exceed five (5) years from the date of grant;

- (e) no ISO may be granted hereunder to a U.S. Participant following the expiration of ten (10) years after the date on which this Plan is adopted by the Company or the date on which the Plan is approved by the shareholders of the Company, whichever is earlier; and
- (f) no ISO granted to a U.S. Participant under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of the Company.

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

Except as provided pursuant to sections 3.4, 3.8 and 3.9, no Option may be exercised unless the Optionee is, at the time of such exercise, a *bona fide* Employee, Officer, Director or Consultant, of the Company or any of its Affiliates, as the case may be, and shall have been continuously such a bona fide Employee, Officer, Director or Consultant, as the case may be. An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of the Option Holder may exercise the vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to “**Aequus Pharmaceuticals Inc.**” in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Common Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator will, in his sole discretion, either cause to be delivered to the Option Holder a certificate for the Common Shares purchased by the Option Holder or cause to be delivered to the Option Holder a copy of such certificate and the original of such certificate will be placed in the minute book of the Company. If the number of Common Shares in respect of which the Option was exercised is less than the number of Common Shares subject to the Option Certificate surrendered, the Administrator will forward a new Option Certificate to the Option Holder concurrently with delivery of the share certificate for the balance of the Common Shares available under the Option.

4.3 Condition of Issue

The Options and the issue of Common Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Common Shares, and to all applicable securities laws and regulations. The Option Holder agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with, the Company in complying with such laws, regulations, rules and policies.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan will be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such policies not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such policies will form part of the Plan. The Board may delegate to the Administrator or any Director, Officer or Employee such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto will be final and conclusive and will not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder will be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 6 AMENDMENT, TERMINATION AND NOTICE

6.1 Termination and Amendment of Plan

Subject to the acceptance of the TSX-V, the Board may not, without approval by the affirmative vote of not less than a majority of the votes cast by the shareholders of the Company voting in person or by proxy at an annual or special meeting of the holders of such Common Shares (excluding, to the extent required pursuant to any applicable rules or regulations of any stock exchange on which the Common Shares are listed, votes of securities held directly or indirectly by Insiders benefiting from the amendment), amend this Plan or any Option to:

- (a) amend the persons eligible to be granted Options under the Plan;
- (b) increase or decrease the number of shares that may be reserved under the Plan for issuance pursuant to the exercise of the Options;
- (c) place limitations under the Plan on the number of Options that may be granted to any one person or any category of persons (such as, for example, Insiders);
- (d) amend the method for determining the exercise price of the Options;
- (e) increase or decrease the maximum term of the Options;
- (f) amend the expiry and termination provisions applicable to the Options; and
- (g) reduce the exercise price of Options granted to Insiders, if the holder of such Options is an Insider of the Company at the time of such proposed amendment.

However, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority, or as a result in the changes in the policies of the TSX-V relating to incentive stock options, without obtaining the approval of the Company's shareholders.

No Option may be granted during any suspension, or after termination, of the Plan. Any amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

6.2 Approvals

The Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities.

6.3 Termination

The Board may terminate the Plan at any time provided that such termination will not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which will continue to be governed by the provisions of the Plan.

6.4 Agreement

The Company and every Option awarded hereunder will be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of the Plan.

6.5 Notice

Any notice or other communication contemplated under the Plan to be given by the Company to an Option Holder will be given by the Company delivering or faxing the notice to the Option Holder at the last address for the Option Holder in the Company's records. Any such notice will be deemed to have been given on the date on which it was delivered, or in the case of fax, the next business day after transmission. An Option Holder may, at any time, advise the Company of a change in the Option Holder's address or fax number.

6.6 Plan Subject to TSX-V Policies

The provisions of this Plan are subject to the relevant policies of the TSX-V, including but not limited to TSX-V Policy 4.4 – *Incentive Stock Options*.

**AEQUUS PHARMACETUCIALS INC.
STOCK OPTION PLAN
OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Aequus Pharmaceuticals Inc. (the “**Company**”) stock option plan (the “**Plan**”) and evidences that ● is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● Common Shares Without Par Value (the “**Common Shares**”) in the capital stock of the Company. The Exercise Price of the Option is Cdn. \$● per Common Share.

Subject to the provisions of the Plan:

- (a) the Award Date of the Option is ●, ●;
- (b) the Expiry Date of the Option is ●, ●; and
- (c) the Options shall vest in accordance with the following schedule:
 - (i) ●; and
 - (ii) ●.

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to “Aequus Pharmaceuticals Inc.” in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company will prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate will have the meanings given to them under the Plan.

Dated this ● day of ●, ●.

AEQUUS PHARMACEUTICALS INC.

Per:

Administrator, Stock Option Plan
Aequus Pharmaceuticals Inc.

**AEQUUS PHARMACETUCIALS INC.
OPTION CERTIFICATE - SCHEDULE**

The additional terms and conditions attached to the Option represented by this Certificate are as follows:

[NTD: Include any specialized terms desired].

AEQUUS PHARMACEUTICALS INC.

Per:

Administrator, Stock Option Plan
Aequus Pharmaceuticals Inc.

AEQUUS PHARMACEUTICALS INC.
STOCK OPTION PLAN
NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
 Aequus Pharmaceuticals Inc.
 c/o Joseph Garcia
 2600 – 595 Burrard St.
 Vancouver, British Columbia, V7X 1L3

The undersigned hereby irrevocably gives notice, pursuant to the Aequus Pharmaceuticals Inc. stock option plan (the “**Plan**”), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Common Shares; or
- (b) _____ of the Common Shares,

which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft (circle one) payable to “**Aequus Pharmaceuticals Inc.**” in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares and directs the Company to issue the certificate evidencing said Common Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Notice of Exercise of Option the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Notice of Exercise of Option will have the meanings given to them under the Option Certificate.

DATED the _____ day of _____, _____.

Signature of Option Holder