



NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

ON APRIL 30, 2015

and

MANAGEMENT PROXY CIRCULAR



March 5, 2015

Dear Shareholders,

We are pleased to invite you to join our Board of Directors and our Management team for our next annual and general meeting of shareholders to be held on **April 30, 2015, at 1:30 pm, Eastern Time, at the offices of McCarthy Tétrault, 1000 de la Gauchetière Street West, Suite 2500, Montréal (Quebec) H3B 0A2.**

We encourage you to attend this meeting in person as it is a great opportunity for you to receive an account of our activities over the past year and to voice your opinion on the items at the agenda.

If you cannot attend this meeting in person, we invite you to appoint a proxyholder to represent you by filling out the enclosed proxy form in accordance with the explanations provided in the attached management proxy circular.

Sincerely,

(signed)

Yves Fradet
Chairman of the Board

NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

April 30, 2015

NOTICE IS GIVEN that the annual and general meeting of the shareholders (the “Meeting”) of DiagnoCure Inc. (the “Corporation”) will be held **on April 30, 2015 at 1:30 pm EDT at 1000, de la Gauchetière Street, Suite 2500, Montréal (Quebec) H3B 0A2**, for the following purposes:

1. to receive the consolidated financial statements for the year ended October 31, 2014, accompanied by the report of the auditor;
2. to elect directors;
3. to appoint the auditor and to authorize the directors to determine the remuneration of the auditor;
4. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

DATED in Québec City, Province of Quebec, on March 5, 2015

On the Order of the Board,

(signed)

Danielle Allard
Corporate Secretary

IMPORTANT NOTICE

If you are unable to attend the Meeting, kindly complete and sign the accompanying form of proxy and return same in the enclosed envelope, making sure that it is received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., Suite 700, Montréal, Quebec, H3A 3S8, at least 48 hours, excluding Saturdays and holidays, prior to the time of Meeting or of any adjournment thereof.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and DiagnoCure 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 securities on your behalf.

By choosing to send these materials to you directly, DiagnoCure (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.

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This management proxy circular (the “Circular”) is provided in connection with the solicitation by the management of DiagnoCure Inc. (the “Corporation” or “DiagnoCure”) of proxies to be used at the meeting of shareholders (the “Meeting”) referred to, and for the purposes specified in, the notice of annual and general meeting of shareholders (the “Notice of Meeting”) attached with this Circular. Unless otherwise indicated, the information contained herein is accurate as of March 5, 2015.

The solicitation of proxies will be made mainly by mail but may also be made in person or by telephone and the cost of solicitation will be borne by the Corporation.

1.1 COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

As of March 5, 2015, there are 43,040,471 issued and outstanding common shares of the Corporation (the “Shares”) entitled to be voted at the Meeting. Each Share entitles the holder thereof to one vote. The directors have set March 9, 2015 as the record date for determining shareholders entitled to receive the Notice of Meeting and to vote at the Meeting (the “Record Date”).

There are also 4,900,000 Series A Convertible Preferred Shares, with no voting rights, held by Hologic, Inc.

Unless otherwise indicated, the resolutions submitted to a vote at the Meeting must be passed by a majority of the votes cast by the holders of Shares present at the Meeting in person or by proxy and voting in respect of all resolutions to be voted on by the shareholders of the Corporation.

As of March 5, 2014, to the knowledge of the Corporation, the following persons beneficially owned or exercised control or discretion, directly or indirectly, over more than 10% of the issued and outstanding Shares of the Corporation:

<u>Name and place of business</u>	<u>Number of Shares held</u>	<u>Percentage</u>
BlackRock, Inc., New York, NY	6,843,030	15.90%
Todd M. Axelrod, Victoria, BC	8,559,000	19.89%

As shareholder of the Corporation, you may vote your Shares either in person at the Meeting or appoint another person to vote your Shares at the Meeting (a “Proxyholder”). If you hold your Shares directly, you should appear as a registered shareholder in the registry of shareholders of the Corporation (a “Registered Shareholder”). If you hold your Shares through an intermediary such as a broker, you do not appear as a Registered Shareholder (a “Non-Registered Shareholder”). Non-registered shareholders are either “objecting beneficial owners” or “OBOs”, who object that intermediaries disclose information about their ownership in the Corporation, or “non-objecting beneficial owners” or “NOBOs”, who do not object to such disclosure. The Corporation will send proxy-related materials directly to NOBOs and intends to pay for an intermediary to deliver to OBOs the proxy-related materials. Please refer to corresponding instructions included in this Circular.

1.2 VOTING IN PERSON

Registered Shareholders

If you are a Registered Shareholder and you wish to vote your Shares personally at the Meeting, please appear on the date, at the time and place set forth in the Notice of Meeting and register with the representatives of Computershare who will be at the Meeting. You should then follow voting instructions given by the Chairperson of the Meeting.

Non-Registered Shareholders

If you are a Non-Registered Shareholder and you wish to vote your Shares personally and attend the Meeting, please insert your name as Proxyholder in the blank space provided for this purpose in the form of proxy or voting instruction form, follow the delivery instruction given for Non-Registered Shareholders in Section 1.3 and appear on the date, at the time and place set forth in the Notice of Meeting and register with the representatives of Computershare who will be at the Meeting. You should then follow voting instructions given by the Chairperson of the Meeting.

1.3 VOTING BY PROXY

The Proxyholder you will have duly appointed shall exercise the voting rights attached to your Shares in accordance with the instructions you provided in the form of proxy. In the absence of instructions, the voting rights attached to the Shares referred to in your form of proxy will be exercised IN FAVOR of the matters mentioned in the Notice of Meeting.

Furthermore, the enclosed form of proxy confers upon the Proxyholder a discretionary authority with regard to amendments of the matters set forth in the Notice of Meeting and with regard to all other matters that may be properly brought before the Meeting. However, to the knowledge of the Corporation, all matters to be brought before the Meeting are mentioned in the Notice of Meeting.

Appointing the Proposed Proxyholders

The Proxyholders proposed by DiagnoCure on the enclosed form of proxy are directors or officers of the Corporation. If you wish to appoint the Proxyholders proposed on the enclosed form of proxy, please complete the form of proxy and follow the appropriate delivery instructions set forth below.

Appointing a Proxyholder of your Choice

You have the right to appoint a Proxyholder of your choice, other than the Proxyholders proposed by DiagnoCure in the enclosed form of proxy, who is not required to be a shareholder, to attend and vote on your behalf at the Meeting. To carry this out, please:

- insert the name of the Proxyholder of your choice in the blank space appearing on the enclosed form of proxy, strike out the names printed thereon and follow the appropriate delivery instructions set forth below; or
- complete another form of proxy and follow the appropriate delivery instructions set forth below.

Delivery Instructions

Registered Shareholders

If you are a Registered Shareholder, please return a completed form of proxy to the Secretary of the Corporation c/o Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., Suite 700, Montréal, Quebec, H3A 3S8, at least 48 hours, excluding Saturdays and holidays, prior to the time of the Meeting or all adjournment thereof.

Non-Registered Shareholders

If you are a Non-Registered Shareholder, please return a completed form of proxy in accordance with the instructions provided by your intermediary.

Revocation of Proxy

Registered Shareholders

If you are a Registered Shareholder and you wish to revoke a proxy, please:

- send a written notice bearing your signature or the one of your Proxyholder (or that of a representative of your Proxyholder if the Proxyholder is a company) to the Secretary of the Corporation c/o Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., Suite 700, Montréal, Québec, H3A 3S8, at any time up to, and including, the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
- make a request to that effect to the Secretary of the Corporation directly at the Meeting.

Non-Registered Shareholders

If you are a Non-Registered Shareholder and you wish to revoke a proxy, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein.

2.1 PRESENTATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Corporation for the fiscal year ended October 31, 2014 and the auditor's report thereon are included in the Annual Report of the Corporation, and will be presented at the Meeting.

2.2 ELECTION OF DIRECTORS

2.2.1 Majority voting policy

The Board has adopted a policy providing that a nominee for election as a director who receives a greater number of votes "withheld" than votes "for" with respect to an election of directors by shareholders (a "Majority Withheld Vote"), will be required to promptly submit his or her resignation to the Corporation following the meeting of shareholders at which the director is elected, such resignation to be effective upon its acceptance by the Board. The Board will refer the resignation to its Corporate Governance, Human Resources and Nominating committee which will consider the resignation offer and make a recommendation to the Board whether to accept it or not. The Board will make its decision and announce it in a press release within 90 days following the meeting of shareholders. The director who offered to tender his resignation shall not take part in any committee or Board deliberations pertaining to the resignation offer, except in the event that the number of nominee directors having received a Majority Withheld Vote would cause a failure to achieve quorum at the Corporate Governance, Human Resources and Nominating Committee, when the decision to accept or not those director's resignations will be taken by the Board, without a recommendation from the committee. In the event that the number of nominee directors having received Majority Withheld Votes would cause a failure to achieve quorum at the Board level, then all directors may participate in the decision to accept the resignations or not. This policy does not apply in a contested election, i.e. an election where one or more nominees, who are not part of the directors' nominees supported by the Board, are proposed as director(s).

2.2.2 Board nominees

The articles of the Corporation provide that the Board of Directors shall be composed of at least 3 and not more than 10 directors. Management of the Corporation proposes to nominate the five (5) persons whose names are set forth below, all of whom are currently directors and have been for the periods indicated. **Unless the shareholder having signed the proxy has decided otherwise or specifically instructed, on the form of proxy, to withhold from voting with respect to any of the candidates, the persons named in the accompanying form of proxy intend to vote IN FAVOR of the election of these candidates as directors of the Corporation.** Management of the Corporation does not contemplate that any of the nominees will be unable to serve as director. Each director elected will hold office until the close of the next annual meeting of shareholders of the Corporation.

The current directors, as a group, control, directly or indirectly, 2,172,346 Shares of the Corporation representing approximately 5.0% of all issued and outstanding Shares as of March 5, 2015.

The following is the information with respect to each proposed nominee for the Board of Directors. The information regarding each director's committee membership, current occupation, areas of expertise, equity ownership and other financial interest in the Corporation is as of March 5, 2015 while meeting attendance is for the year ended on October 31, 2014 and include in person as well as meetings held by conference calls. Please refer to Section 3.9 herein for the compensation they received in the most recent fiscal year, and further details on options and the Stock Option Plan of the Corporation.

**Yves Fradet, M.D., FRCS(c)**

Québec (Québec) Canada

President and Chief Medical Officer*DiagnoCure inc.*

SINCE JANUARY 2010

AREAS OF EXPERTISE

Urological oncology

Business administration

Co-Founder and Chairman of the Board. Dr. Fradet was instrumental in the negotiations of DiagnoCure's initial license and collaboration agreement with Gen-Probe and other similar deals that, together, generated \$20M in non-dilutive cash for DiagnoCure. He is an active member of the American Association of Genito-Urinary Surgeons limited to 75 active members in North America among the leaders of urology and the recipient of numerous honours and awards including the Lifetime Career Achievement Award from the Canadian Urology Association in 2012.

STATUSNon-independent ⁽¹⁾ Director**JOINED BOARD**

September 1995

BOARD AND COMMITTEE ATTENDANCE DURING 2014

MEETING ATTENDANCE		TOTAL BOARD AND COMMITTEE ATTENDANCE
Board (Chair)	15/15	100% ⁽²⁾

TOTAL FINANCIAL INTEREST IN THE CORPORATION

Shares	2,040,444
Options ⁽³⁾	600,000

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

N/A

- (1) "Independent" or "Non-independent" status of a director is determined in accordance with part 1 of *National Instrument 52-110 Audit Committees*; Yves Fradet does not qualify as independent because he is President and Chief Medical Officer of the Corporation.
- (2) Yves Fradet is non-independent member and Chairman of the Board; in this capacity, he attended the regular meetings of the Board, but did not attend the meetings of the independent members held *in camera*.
- (3) Yves Fradet, being President and Chief Medical Officer of the Corporation, receives no additional compensation as director. Therefore, options ownership shown in this table corresponds to his options having been received as officer of the Corporation and not as director of the Corporation.

**Louise Proulx, Ph.D.**

Montréal (Québec) Canada

Chief Development Officer*Therillia Development Company Inc.*

SINCE SEPTEMBER 2013

AREAS OF EXPERTISE

Pharma / Biotech

R&D

Business administration

Corporate governance

Over 30 years of experience in science and research management. Member of senior management team of Biochem Pharma, and ViroChem Pharma. Participated in the sale process of Biochem Pharma to Shire Pharmaceuticals for \$5B, and the sale of ViroChem Pharma for \$475M to Vertex Pharmaceuticals. Dr. Proulx has been a member of several boards of directors over her career. Certified ICD.D by the Institute of Corporate Directors.

STATUS

Independent Director

JOINED BOARD

March 2006

BOARD AND COMMITTEE ATTENDANCE DURING 2014

	MEETING ATTENDANCE	TOTAL BOARD AND COMMITTEE ATTENDANCE
Board	15/15	100%
Audit Committee	5/5	
Governance Committee (Chair)	6/6	

TOTAL FINANCIAL INTEREST IN THE CORPORATION

Shares	54,695
Options	161,223

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

N/A

**Andrew J. (Andy) Sheldon.**

Québec (Québec) Canada

President and CEO*Medicago inc.*

SINCE AUGUST 2003

AREAS OF EXPERTISE

Pharma / Biotech

Private & public partnerships

Finance

President and CEO of Medicago Inc., a clinical stage biopharma company that he has managed for over 10 years and which was recently acquired by Mitsubishi Tanabe Pharma. He has thirty years of experience in the pharmaceutical industry and was named CEO of the Year by the Vaccine Industry Excellence awards at the World Vaccine Congress in 2012. Prior to Medicago, Mr. Sheldon was the Vice-President, Sales and Marketing for Shire Biologics. Mr. Sheldon has a proven reputation in the capital markets as well, raising over \$100M from investors over the past 4 years.

STATUS

Independent Director

JOINED BOARD

November 2012

BOARD AND COMMITTEE ATTENDANCE DURING 2014

	MEETING ATTENDANCE	TOTAL BOARD AND COMMITTEE ATTENDANCE
Board	14/15	90%
Audit Committee	4/5	

TOTAL FINANCIAL INTEREST IN THE CORPORATION

Shares	21,500
Options	68,978

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

Medicago inc.

2006-2013

**Jacques Simoneau, Ph.D.**

Montréal (Québec) Canada

President and CEO*Gestion Univalor, L.P.*

SINCE MAY 2012

AREAS OF EXPERTISE

Venture capital

Private equity

Strategic planning

Financial services

Corporate governance

President, CEO and director of Gestion Univalor LP, an entity that commercializes and transfers technologies and innovations created at Université de Montréal and its affiliated schools. A current or past director of 6 public companies, and 15 private companies, Dr. Simoneau's career includes significant experience in private equity and venture capital, including as Executive Vice President, Investments of the Business Development Bank of Canada. Certified ICD.D by the Institute of Corporate Directors.

STATUS

Independent Director

JOINED BOARD

November 2012

BOARD AND COMMITTEE ATTENDANCE DURING 2014

	MEETING ATTENDANCE	TOTAL BOARD AND COMMITTEE ATTENDANCE
Board	15/15	100%
Audit Committee (Chair)	5/5	
Governance Committee	6/6	

TOTAL FINANCIAL INTEREST IN THE CORPORATION

Shares	27,500
Options	86,223

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

Transat A.T.	2000-present
Azimut Exploration inc.	2012-present

**Vincent R. Zurawski, Jr., Ph.D.**

Westtown, Pennsylvania, USA

President and CEO*Hepregen Corporation*

SINCE AUGUST 2012

AREAS OF EXPERTISE

Pharma

Biotech

Business administration

President and CEO of Hepregen, a leader in the development of micro-liver products being sold to the pharmaceutical, chemical and cosmetics industries. Considered a pioneer of the biotechnology industry, Dr. Zurawski was one of the founders of Centocor, playing a major role in developing and executing the company's successful cancer diagnostic product strategy.

STATUS

Independent Director

JOINED BOARD

April 2003

BOARD AND COMMITTEE ATTENDANCE DURING 2014

	MEETING ATTENDANCE	TOTAL BOARD AND COMMITTEE ATTENDANCE
Board (Lead Director)	15/15	100%
Governance Committee	6/6	

TOTAL FINANCIAL INTEREST IN THE CORPORATION

Shares	28,207
Options	148,978

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

N/A

None of the proposed directors is, as of the date of this Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer or chief financial officer of any company that,

- (i) while that person was acting in that capacity, 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 a period of more than 30 consecutive days;
- (ii) 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 a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director or officer and which resulted from an event that occurred while that person was acting as director, chief executive officer or chief financial officer.

None of the proposed directors is, as of the date of the Circular or has been within 10 years before the date of the Circular, a director or an officer of a 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.

None of the proposed directors has, within the 10 years before the date of this circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

In addition, none of the proposed directors has been subject to a penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or any other penalty or sanction 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.

2.3 APPOINTMENT OF AUDITOR

At the Meeting, the shareholders will be asked to approve a resolution to appoint Ernst & Young LLP as auditor of the Corporation until the next annual meeting of shareholders and to authorize the Board of Directors to determine its remuneration. The Board of Directors recommends that Ernst & Young LLP be re-nominated as auditor of the Corporation. Ernst & Young LLP was first appointed as auditor of the Corporation in 1995.

Unless the shareholder having signed the proxy has decided otherwise or specifically instructed, on the form of proxy, to withhold from voting on this resolution, the persons named in the accompanying form of proxy intend to vote IN FAVOR of the appointment of Ernst & Young LLP as the auditor of the Corporation to hold office until the next annual meeting of shareholders of the Corporation.

3.1 COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Policy for the Corporation's executive officers (the "Compensation Policy") is established by the Board of Directors on a recommendation of the Corporate Governance, Human Resources, and Nominating Committee (the "CGHRN Committee"). Each year, this Compensation Policy is reviewed and adjusted as required.

The Compensation Policy aims at:

- attracting and retaining individuals with the appropriate skills and experience;
- motivating and compensating executive officers for achieving the business goals; and
- aligning management interest with shareholders' interest.

The executive officers' compensation is comprised of:

- a base salary, which is based on the executive officer's responsibilities, experience and past performance, taking into account market comparatives;
- an annual performance bonus, based on the achievement of specific corporate and individual objectives set annually;
- stock options potentially granted each year, on the recommendation of the President of the CGHRN Committee, to foster the long-term contribution of the executive officer, and to promote retention; and
- other benefits, such as a Simplified Pension Plan (a defined contribution plan) and a group insurance plans covering medical and dental care, disability and death risks; these plans are also offered to all employees of the Corporation.

In establishing the level of compensation, the CGHRN Committee generally examines compensation data collected from industry surveys. Because the Corporation's executive officers can be attracted from either the biotechnology industry or the pharmaceutical industry, and that the scope of their responsibilities can have international reach, global surveys from both industries are generally considered. For the year ended October 31, 2014, the Corporation adjusted the base salary of all employees, including both Named Executive Officers (collectively, the "NEOs"), based upon the Mercer Canada Compensation Planning Survey for the biotech industry.

The Corporation's financial position is also taken into account in determining the executive officers' compensation.

3.1.1 Base Salary

Upon the hiring of an executive officer, the CGHRN Committee approves a base salary based on the responsibilities of the position, the experience of the incumbent, the Corporation's salary scales, market comparatives, and total target compensation. The base salary is generally adjusted based on the results of the executive officer's performance review, changes in his responsibilities, progression of compensation in the industry, and the Corporation's budget.

3.1.2 Annual Performance Bonus

The Board of Directors generally adopts specific corporate goals to align the efforts of the executive officers with the Corporation's strategy. At the end of the year, the CGHRN Committee would then assess the achievement of the corporate goals and recommend to the Board of Directors a total performance bonus pool to reward the executive officers, as well as the allocation of the pool to each executive officer based on the achievement of his or her individual goals and his or her maximum target bonus.

For fiscal year ended October 31, 2014, the Corporation focused its efforts on ensuring that the potential of its PCA3 flagship prostate cancer marker be fully exploited. This being a team effort, no individual goals were set. The following table provides for each NEO, the maximum target bonus that would have been payable if individual goals had been established.

Name	Maximum target annual performance bonus (% of base salary)	Level of achievement (% of maximum target)	Actual bonus payout \$
Yves Fradet	50%	N/A	0
Frédéric Boivin	15%	N/A	0

3.1.3 Risks associated with the Corporation's Compensation Policy

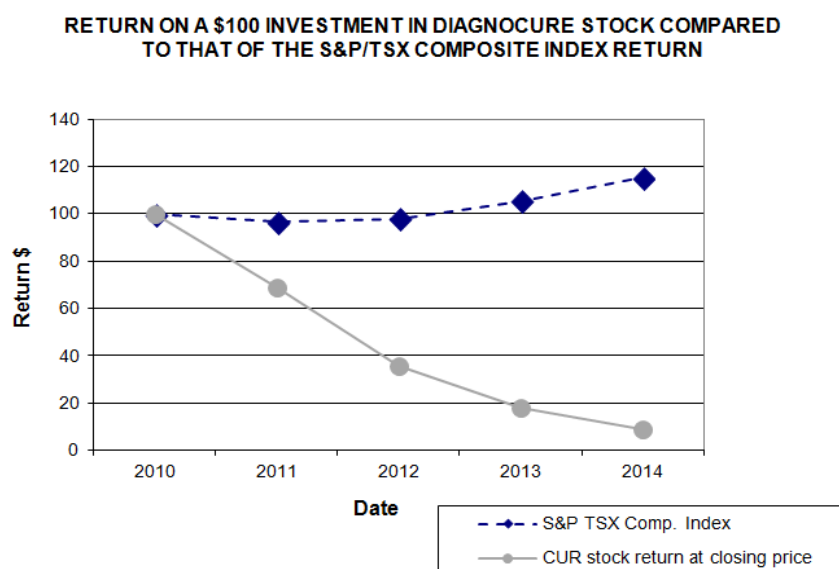
The CGHRN Committee of the Corporation has considered the implications of the risks associated with the Corporation's Compensation Policy and has determined that there are no risks that are reasonably likely to have a material adverse effect on the Corporation.

3.1.4 Purchase of Financial Instruments

Financial instruments cannot be purchased by the NEOs or the directors to hedge or offset a decrease in the market value of equity securities granted as compensation, or held directly or indirectly by the NEOs or the directors of the Corporation.

3.2 PERFORMANCE GRAPH

The following graph compares the yearly percentage change in the cumulative total shareholder return for a \$100 investment in Shares of the Corporation with the cumulative total return on the S&P/TSX composite index for the same five-year period prior to October 31, 2014.



For the five-year period ending on October 31, 2014, \$100 of Diagnocure Shares as of October 31, 2010 were worth \$9 reflecting a compounded annual return of -54%. During the same period, the S&P/TSX total return index was worth \$115, reflecting a 3% compounded annual return. The trading price of the Shares on the TSX is subject to fluctuations based on several factors, many of which are outside the control of the Corporation, as disclosed and discussed under the heading "Risk Factors" in the Corporation's Annual Information Form dated January 22, 2015 for the year ended October 31, 2014.

During the same 5-year period, the total compensation for the NEOs decreased by 47%. The executive officers compensation is adjusted to the specific circumstances of the Corporation and its stated goals.

3.3 OPTION-BASED AWARDS

The Board of Directors has adopted a policy which provides for a potential grant of stock options to executive officers upon hiring and annually. The purpose of the policy is two-fold: first to align the interests of the executive officers with the interests of the shareholders, and second, to promote retention of the executive officers.

At the time of hiring a new executive officer, and upon recommendation from the CGHRN Committee, the Board of Directors approves the grant of stock options based on the policy.

On an annual basis, upon recommendation from the CGHRN Committee, the Board of Directors approves the grant of stock options to certain executive officers, depending on an assessment of their expected contribution to the Corporation and previous grants.

3.4 COMPENSATION GOVERNANCE

3.4.1 Determination of Compensation Policies and Practices for Directors and Executive Officers

The Board of Directors approves the compensation policies and practices based on recommendations made by its CGHRN Committee. Said recommendations take into account the reference market practices, the goals and the financial position of the Corporation.

3.4.2 Compensation committee

Compensation governance for directors and executive officers is under the responsibility of the CGHRN Committee.

The CGHRN Committee is composed of three independent directors. Currently, these members are Louise Proulx, Chairperson of the CGHRN Committee, Jacques Simoneau, and Vincent R. Zurawski.

Dr. Louise Proulx is a certified director by the Institute of Corporate Directors. She has been General Manager and Vice-President of many companies and has extensive experience related to executive and director compensation.

Dr. Jacques Simoneau has extensive experience in managing executives and indirect experience related to director and executive compensation. He is a certified director by the Institute of Corporate Directors.

Dr. Vincent R. Zurawski has been CEO of companies for many years and, in this capacity, he has direct experience related to director and executive compensation, including responsibilities over human resources strategies.

The committee's responsibilities, powers and operation are described in its mandate, included as appendix B of this document.

3.4.3 Compensation consultant

The Corporation has not retained any outside compensation consultant or advisor for the year ended October 31, 2014.

3.5 SUMMARY COMPENSATION TABLE

The following table provides a summary of the compensation earned by each individual who acted as Chief Executive Officer (President and Chief Medical Officer), Chief Financial Officer, or in a similar capacity at any time during the year completed on October 31, 2014.

Name and principal position	Year	Salary \$	Share-based awards \$	Option-based awards ⁽¹⁾ \$	Non-equity incentive plan compensation		Pension value \$	All other compensation \$	Total compensation \$
					Annual incentive plans \$	Long-term incentive plans \$			
Yves Fradet	2014	185,448	—	—	—	—	—	—	185,448
President and	2013	180,065	—	37,500	—	—	—	—	217,565
Chief Medical Officer	2012	180,721	—	—	—	—	—	—	180,721
Frédéric Boivin	2014	133,592	—	550	—	—	8,016	—	142,518
Senior Director	2013	129,709	—	12,000	9,691	—	7,782	—	159,182
Finance and Administration and interim Chief Financial Officer	2012	127,697	—	—	—	—	7,662	—	135,359

(1) The fair value of the options is estimated at the date of grant using the Black-Scholes option pricing model with assumptions for the risk-free interest rates, dividend yields, expected volatility of the market price of the Corporation's Shares and the expected life of the options. For the options granted in 2014, the Corporation used a risk-free interest rate of 1.98%, no dividend yield, expected volatility of 68% and an average expected life of 6 years.

3.6 INCENTIVE PLAN AWARDS

3.6.1 Outstanding Share-Based Awards and Option-Based Awards

The Corporation established a Stock Option Plan intended to attract and retain world class directors, executives, employees and consultants of the Corporation and its subsidiaries motivated towards the success of the Corporation. The Corporation's current Stock Option Plan was originally adopted on November 13, 1996 and amendments were duly adopted and ratified by shareholders on April 13, 1999, February 14, 2002 and July 4, 2007. The Stock Option Plan is administrated by the Board of Directors of the Corporation who has full power and authority to designate those directors, executives, employees or consultants of the Corporation and its subsidiaries who are to be granted options under the Stock Option Plan.

Subject to securing, as the case may be, all appropriate approvals from the shareholders of the Corporation and securities regulatory authorities, the Board of Directors may, from time to time, modify, suspend or terminate the Stock Option Plan. In particular, the Board may, without seeking shareholders' approval, make the following types of amendments to the Stock Option Plan or any options granted thereunder: (a) amendments of a "housekeeping" nature including any amendment for the purpose of curing any ambiguity, error or omission or to correct or supplement any provision that is inconsistent with any other provision; (b) amendments necessary to comply with the provisions of applicable law (including the rules, regulations and policies of the Toronto Stock Exchange); (c) amendments necessary in order for options to qualify for favourable treatment under applicable taxation laws; (d) amendments respecting the administration of the Stock Option Plan; (e) any amendment to the vesting provisions of the Stock Option Plan or any option; (f) any amendment to the early termination provisions of the Stock Option Plan or any option, whether or not such option is held by an insider, provided such amendment does not entail an extension beyond the original expiry date; (g) any amendment to the termination provisions of the Stock Option Plan or any option, provided such amendment does not entail an extension of the expiry date of an option beyond its original expiry date; (h) the addition of any form of financial assistance by DiagenoCure for the acquisition of shares and the subsequent amendment of such provisions; (i) the addition or

modification of a cashless exercise feature, payable in cash or shares; (j) amendments necessary to suspend or terminate the Stock Option Plan; or (k) any other amendment not requiring shareholders' approval under applicable laws.

Shareholders' approval is however required for any amendment (a) which would increase the percentage of shares reserved for grant or which would establish a fixed number of shares reserved under the plan; (b) which reduces the exercise price of any option; (c) which amends the definition of eligible persons; (d) which increases the total maximum number of shares issuable to non-executive directors; (e) which would extend the term of an option beyond its original expiry date, except as otherwise permitted by the plan; (f) which would allow an optionholder to transfer or otherwise transfer an option, except as expressly permitted by the plan; (g) any amendment to an amendment provision; or (h) any other amendment required to be approved under applicable laws (including the rules, regulations and policies of the Toronto Stock Exchange).

The Stock Option Plan provides that exercise price may not be lower than the weighted average of the market price on the Toronto Stock Exchange (TSX) for the five-day period immediately preceding the date of grant. Options granted will expire no further than ten (10) years from their grant date provided that options granted will expire prematurely in accordance with the terms of the Stock Option Plan should an optionholder cease to be an eligible participant. However, the expiry date of an option falling during a blackout period, or within nine (9) trading days of the end of a blackout period, will be deferred for a period of ten (10) business days from the expiry of such blackout period. Options granted vest in three (3) equal yearly installments following their date of grant, subject to the right of the Board of Directors to determine, at the time of grant, that a particular option will be exercisable in whole or in part on different dates and subject to the fact that any option which are not acquired by an optionholder at the time of an event which would result in a change of control would then be automatically acquired. Options are not assignable and the Corporation is not providing financial assistance to optionholders to acquire Shares upon the exercise of options.

The number of shares that may be reserved for grant under the Stock Option Plan at any given time shall not exceed 7% of the number of outstanding, voting and participating Shares of the Corporation. As of March 5, 2015, 2,160,402 options were granted and outstanding, representing approximately 5.0% of the issued and outstanding Shares of the Corporation. The maximum number of Shares that may be issued in favor of one single individual shall not exceed 5% of the total number of issued and outstanding, voting and participating Shares at the time of grant. The total maximum number of Shares issuable to insiders of the Corporation at any time under the Stock Option Plan and any other security based compensation arrangement shall not exceed 10% of the total number of issued and outstanding, voting and participating Shares. The total maximum number of Shares issued to insiders under the Stock Option Plan and any other security based compensation arrangement shall not exceed, in one year period, 10% of the total number of issued and outstanding, voting and participating Shares. Finally, the maximum number of options that may be granted after June 6, 2007, to non-executive directors under the Stock Option Plan and any other equity compensation plan shall not exceed 1% of the number of voting and participating Shares then issued and outstanding.

Under the Stock Option Plan, the portion of the options that are vested at the date of an optionholder death may be exercised by the personal representatives of this optionholder during the period ending 180 days after the optionholder's death provided the expiry date of the options is not extended beyond its original expiry date. Optionholders who cease to be employed by the Corporation, optionholders whose employment is terminated without cause or optionholders having their contract as consultant terminated by DiagnoCure in advance of the termination date, may exercise only the portion of the options that are vested at the time of their termination date, and only during the period ending 60 days thereafter. An optionholder who is not an employee of the Corporation and who ceases to act as a director of the Corporation may, at any time within a one-year period following the date when he ceases to act as director, exercise the options that have not been exercised at that date. Options held by optionholders who are dismissed for cause or terminated for cause, including optionholders who resign or consent to the termination of their contract as consultant as an alternative to termination for cause, expire immediately.

The following table provides for each NEO the option-based awards outstanding as of October 31, 2014. There is no share-based award plan offered to executive officers.

OPTION-BASED AWARDS				
Name	Number of securities underlying unexercised options #	Options exercise price \$	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ \$
Yves Fradet	20,000	1.80	2017-12-28	—
	20,000	0.62	2019-01-02	—
	200,000	1.23	2020-03-30	—
	20,000	1.16	2020-10-31	—
	40,000	0.82	2021-10-31	—
	250,000	0.25	2023-06-11	—
Frédéric Boivin	5,000	1.80	2017-12-28	—
	5,000	0.62	2019-01-02	—
	5,000	0.99	2019-10-31	—
	50,000	1.23	2020-03-30	—
	10,000	1.16	2020-10-31	—
	5,000	0.82	2021-10-31	—
	50,000	0.44	2023-01-11	—
	5,000	0.20	2024-01-29	—

(1) The value of unexercised in-the-money options is calculated on the basis of the difference between the closing price of the shares on the TSX on October 31, 2014 (\$0.105 per Share) and the exercise price of the options, multiplied by the number of unexercised in-the-money options on October 31, 2014.

In accordance with DiagnoCure's stock option plan, all of the options set forth in the above table vest over a three-year period following the grant date of the said options.

3.6.2 Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides for each NEO the value vested on their option-based awards during the fiscal year ended October 31, 2014. The non-equity incentive plan compensation is the annual performance bonus described in section 3.1.2.

Name	Option-based awards Value vested during the year \$	Non-equity incentive plan compensation Value earned during the year \$
Yves Fradet	—	—
Frédéric Boivin	—	—

3.7 PENSION PLAN BENEFITS

The following table provides the pension plan benefits earned by the NEOs during the year ended October 31, 2014. The plan offered to the NEOs and to all employees of the Corporation is a defined contribution plan.

Name	Accumulated value at start of year \$	Compensatory \$	Accumulated value at year end \$
Yves Fradet ⁽¹⁾	—	—	—
Frédéric Boivin	54,260	8,016	62,276

(1) Yves Fradet did not participate in the Simplified Pension Plan of the Corporation in 2014.

In 2014, Frédéric Boivin participated in the Simplified Pension Plan offered by the Corporation to all its executive officers and employees.

Under the Simplified Pension Plan offered to executive officers, the Corporation contributes a minimum of 2% of base salary and a maximum of 6% of base salary, depending upon the contributions made by the executive officer. The total combined contributions for each individual are limited by the maximum tax deduction, which for the calendar year 2014 was the lesser of 18% of earnings and \$24,270. Investment decisions on all these contributions are made by each executive officer by choosing among a number of investment funds offered by the pension plan administrator, Desjardins Financial Security. All amounts contributed by the Corporation are immediately vested to the executive officer.

3.8 TERMINATION AND CHANGE OF CONTROL BENEFITS

Both NEOs are party to an employment contract for an indefinite period.

In case of resignation, retirement, death or termination of employment with cause, Yves Fradet's contract provides that there will be no severance payment. Frédéric Boivin's employment contract does not comprise specific provisions regarding the above situations. However both NEOs would be entitled to the indemnities payable under applicable labour standards upon a termination in the above situations and to the value accumulated in his Simplified Pension Plan.

The following table provides the severance and value of incremental benefits that would apply in situations of termination of employment without cause or as a result of a change of control, as if the event had occurred on October 31, 2014, and based on the contractual provisions in effect at that time.

Name	Termination without cause		Change of control	
	Description	Value \$	Description	Value ⁽¹⁾ \$
Yves Fradet	18 months of base salary	277,134	18 months of base salary	277,134
	Immediate vesting of stock options	0	Immediate vesting of stock options	0
Frédéric Boivin	No contractual provision	0	No contractual provision	0
			Immediate vesting of stock options	0

(1) The value of benefits under "Change of control" includes the severance the Named Executive Officer would have been entitled to had his employment ceased on October 31, 2014, as a result of a change of control, and the incremental value of the stock options which would have immediately vested upon a change of control occurring on October 31, 2014.

3.9 NON-EXECUTIVE DIRECTORS COMPENSATION

The following table provides, as of October 31, 2014, the compensation for 2014 of the independent directors.

Name	Fees earned \$	Option-based awards \$	All other compensation	Total \$
Louise Proulx	36,650	5,500	—	42,150
Andrew J. Sheldon	26,250	4,400	—	30,650
Jacques Simoneau	37,500	5,500	—	43,000
Vincent R. Zurawski ⁽¹⁾	28,974	4,400	—	33,374

(1) Cash payments to Dr. Zurawski are made in US dollars; they were converted in Canadian dollars in the above table using the actual exchange rate on the date of each payment.

3.9.1 Independent Directors Compensation Policy

The Corporation's compensation policy for the independent directors is presented below. The policy was last modified in October 2013 following analysis of comparable public companies by an outside consulting firm. Cash retainers were adjusted to be slightly below the median and stock option grants were increased to achieve a level between the median and the 75th percentile.

Beginning November 1, 2014, the independent directors have reduced the amount of their respective retainers by 30%, to assist in the measures undertaken by the Corporation to preserve its liquidities.

	Cash payment \$	Options #
(a) Annual retainer	15,000	40,000
(b) Chairperson of the Board – additional annual retainer	7,500	20,000
(c) Chairperson of the Audit and Risk Management Committee – additional annual retainer	5,000	10,000
(d) Chairperson of the Corporate Governance, Human Resources and Nominating Committee – annual additional retainer	4,000	10,000
(e) Attendance at Board of Directors meetings	1,000	N/A
(f) Attendance at committees meetings	1,000	N/A
(g) Attendance at a meeting by telephone	500	N/A

3.9.2 Option-Based Awards

The following table provides for each independent director the option-based awards outstanding as of October 31, 2014. There is no share-based award plan offered to non-executive directors.

OPTION-BASED AWARDS				
Name	Number of securities underlying unexercised options #	Options exercise price \$	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ \$
Louise Proulx	5,000	3.96	2016-06-16	—
	10,000	3.83	2016-12-22	—
	10,000	1.80	2017-12-28	—
	10,000	0.62	2019-01-02	—
	10,000	0.99	2019-10-31	—
	20,000	1.16	2020-10-31	—
	10,000	0.82	2021-10-31	—
	12,500	0.44	2023-01-24	—
Andrew J. Sheldon	50,000	0.20	2024-01-29	—
	10,000	0.44	2023-01-24	—
Jacques Simoneau	40,000	0.20	2024-01-29	—
	12,500	0.44	2023-01-24	—
Vincent R. Zurawski	50,000	0.20	2024-01-29	—
	10,000	4.21	2015-11-01	—
	10,000	3.83	2016-12-22	—
	10,000	1.80	2017-12-28	—
	10,000	0.62	2019-01-02	—
	10,000	0.99	2019-10-31	—
	20,000	1.16	2020-10-31	—
	10,000	0.82	2021-10-31	—
	10,000	0.44	2023-01-24	—
	40,000	0.20	2024-01-29	—

(1) The value of unexercised in-the-money options is calculated on the basis of the difference between the closing price of the Shares on the TSX on October 31, 2014 (\$0.105 per Share) and the exercise price of the options, multiplied by the number of unexercised in-the-money options on October 31, 2014.

3.9.3 Value Vested or Earned During the Year

The following table provides for each independent director the value vested on their option-based awards during the fiscal year ended October 31, 2014.

Name	Option-based awards - value vested during the year \$
Louise Proulx	—
Andrew J. Sheldon	—
Jacques Simoneau	—
Vincent R. Zurawski	—

4.1 SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only compensation plan of the Corporation under which equity securities are currently authorized for issuance is the Stock Option Plan, which was previously approved by the shareholders of the Corporation. The table below summarizes information in relation to the Shares reserved for issuance under the Stock Option Plan as of October 31, 2014.

Plan	Number of securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of securities remaining available for future issuance
Stock Option Plan (approved by the shareholders)	2,087,000	\$0.89	925,832

4.2 INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation at any time since the beginning of the Corporation's most recently completed fiscal year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter scheduled to be acted upon at the Meeting other than the election of directors and the appointment of auditor.

4.3 INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out in this Circular, none of the directors or officers of the Corporation, no director or officer of a body corporate that is itself an insider or a subsidiary of the Corporation, no person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercised control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote in connection with any matters being proposed for consideration at the Meeting, no proposed director or nominee for election as director of the Corporation and no associate or affiliate of any of the foregoing has or had any material interest, direct or indirect, in any transaction or proposed transaction since the beginning of the year ended October 31, 2014 that has materially affected or would or could materially affect the Corporation or any of its subsidiaries.

4.4 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Corporation, management nominee for election as a director of the Corporation, or associate of such persons is or has been at any time since the beginning of the Corporation's last completed fiscal year, indebted to the Corporation or any of its subsidiaries.

4.5 CORPORATE GOVERNANCE

The Board of Directors of the Corporation considers effective corporate governance to be essential to the operations of the Corporation and to ensure that the Corporation is managed in order to enhance shareholder value. The CGHRN Committee is responsible to ensure that the Corporation covers all relevant elements of corporate governance guidelines included in *National Instrument 58-201 Corporate Governance Guidelines*.

4.5.1 Board of Directors**Composition, Independence and Nominating Process**

In 2014, the Board of Directors was comprised of a maximum of five (5) directors, four (4) of them being independent directors. The Chairperson, Dr. Yves Fradet, being a non-independent director, the Board has appointed an independent Lead Director, Dr. Vincent Zurawski. As they deem appropriate, the independent directors may meet without the non-independent director and members of management being present. During fiscal year 2014, independent directors met six (6) times in the absence of the non-independent director and of

management. For information about attendance at the Board meetings, please refer to directors' information in Section 2.2 herein.

The responsibilities of the independent Lead Director are, among other things, to ensure that the board is able to function independently of management, to oversee the quality of the information sent to directors and to review any comments or requests made by the independent directors. The independent Lead Director also chairs periodic *in camera* meetings of the independent directors without management and non-independent directors and reports to the Board on their deliberations, as required. The Lead Director is elected annually by a vote of the directors who qualify as independent directors.

Certain directors also hold directors positions in other reporting issuers. Please refer to directors' information in Section 2.2 herein for further information. The information included in these tables is validated through an annual questionnaire completed by each director.

The CGHRN Committee monitors the size and composition of the Board of Directors and its committees in light of the business of the Corporation and the areas of expertise and experience of the directors. The Board and the Corporate Governance, Human Resources and Nominating Committee have reviewed the size of the Board and are satisfied with the wide range of complementary relevant expertises held by the Board and committees members.

The CGHRN Committee is composed solely of independent directors. The CGHRN Committee develops and recommends a nomination process of new directors, identifies and recommends new candidates for director positions to the Board of Directors. Candidates are considered based on their professional qualifications to ensure proper balance among Board members, experience with public companies, and experience and knowledge of the biotechnology and diagnostics industry, and business acumen. The CGHRN Committee may engage outside advisors to assist in identifying potential candidates. The CGHRN Committee's responsibilities, powers and operations are described in its mandate, included as Appendix B of this Circular.

Organization and Mandates

The written mandate adopted by the Corporation for its Board of Directors is attached herewith as Appendix A. In short, the role of the Board of Directors is to oversee the management of the business and commercial operations of the Corporation to ensure steady growth of the Corporation and maximize shareholder value. The Board provides the general decision-making framework for the business and operations of the Corporation and delegates the operational decision-making to the management team.

The Board also adopts and monitors the mission, the strategic planning and the business plan to ensure the Corporation undertakes commercial activities in line with shareholders' objectives and interests. On recommendation of the relevant committees, the Board approves the annual budget, the organizational structure and the compensation policy of officers and employees in line with the corporate mission, the strategic plan and the business plan of the Corporation.

In addition, the Board, on recommendations of the relevant committees, approves certain documents of the Corporation before their public release, regularly reviews and updates the practices of the Corporation with regard to communication with shareholders, regularly reviews and updates the corporate governance practices of the Corporation, and regularly reviews the principal risks related to the business of the Corporation and monitors the systems and internal controls implemented by management to address these risks.

In fulfilling its duties, the Board of Directors is assisted by two (2) committees. None of these committees has decisional authority and their role is limited to reviewing certain issues and making recommendations to the Board of Directors. These committees may hire external advisors at the expense of the Corporation.

The CGHRN Committee assists the Board on issues related to corporate governance, compensation and performance of the Board and its committees, compensation and performance of the Corporation's executive officers and employees, and nomination of directors and executive officers of the Corporation. This CGHRN

Committee is composed exclusively of independent directors and regularly holds *in camera* sessions without the presence of management.

The Audit and Risk Management Committee (the “Audit Committee”) assists the Board in overseeing the Corporation’s business planning and budgeting process, the management of risks and review and implementation of internal controls by management, relations with the external auditor and disclosure of financial information in accordance with regulatory requirements. The Audit Committee is composed exclusively of independent and financially literate directors. The Audit Committee regularly meets with the external auditor and regularly holds *in camera* sessions without the presence of management. The mandate of the Audit Committee as well as the disclosure required by *National Instrument 52-110 Audit Committees* in connection with the Audit Committee is included in the Annual Information Form of the Corporation available in both French and English on the website of the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Corporation has also adopted written mandates for the Chairperson of the Board of Directors, and the Chairpersons of the Board committees, and a position description for the President and Chief Medical Officer of the Corporation.

Under his mandate, the Chairperson of the Board is responsible, in particular, for managing the Board and the meetings of the Board. Among others, the Chairperson takes all reasonable steps to ensure that the Board fulfills its obligations and responsibilities, sets the annual work plan of the Board and the agendas for each of its meetings, supervises the chairpersons of the committees, upholds an ethical and responsible decision-making framework at the Board level and chairs the meetings of the Board and the meetings of shareholders. The Chairperson of the Board also acts as a liaison between the Board, the chairpersons of the committees and management.

Pursuant to their mandates, the chairpersons of the Committees carry out duties similar to those carried out by the Chairperson of the Board but at the committee level.

Under his mandate, the President of the Corporation ensures its general direction and a healthy management of its human and financial resources. Among others, the President also leads the development and implementation of the Corporation’s strategic plan, leads the Corporation’s business development initiatives and ensures good communication with shareholders of the Corporation.

Orientation and Education

As part of their orientation program, new directors meet with the Chairperson of the Board, the chairpersons of the committees and the officers of the Corporation. They visit the premises of the Corporation and may also participate in continuing education activities, as the need may arise, with respect to the business of the Corporation and its research and development activities as well as with respect to the legislative changes regarding public corporations.

The Corporation also has a Board of Directors Manual, which is provided to the directors to support them in fulfilling their duties. This Manual is updated regularly and includes details on the structure of the Corporation, the mandates and key policies as well as the most recent disclosure documents issued by the Corporation.

Assessments

The Board of Directors, the Board committees and the directors are subject to an annual assessment. Each director performs a self-evaluation and an evaluation of the performance of the Board, the Board committees and their respective chairpersons. These evaluations are then reviewed by the CGHRN Committee, which presents its recommendations to the Board of Directors.

4.5.2 Ethical Business Conduct

The Corporation has adopted a Code of Professional Ethics (the “Code”). The Code serves as a complement to obligations imposed by law. It aims at supporting and guiding directors, members of management and employees and, in certain circumstances, at demonstrating DiagnoCure’s expectations in terms of ethics and integrity. The Code also emphasizes the duty to avoid and to report conflicts of interest. The complete text of the Code is available in both English and French on SEDAR (www.sedar.com). The Code is provided to all executive officers and directors upon hiring or start of their mandate. It is also included in the executive officers Manual and the directors Manual. The Board of Directors reviews the Code annually and has delegated the compliance oversight to the CGHRN Committee.

The Code completes the Whistle Blowing Policy and the Policy on Disclosure and Operations on Securities adopted by the Corporation. The Whistle Blowing Policy specifies that the Chairperson of the Audit Committee is mandated to receive disclosures of any situations related to accounting, internal accounting controls, auditing or any aspect of management that may have a material effect on the Corporation’s activities and to report to the Board on the investigations that must be carried out and on actions required in order to correct any irregular or harmful situations for the Corporation. The Policy on Disclosure and Operations on Securities (the “Disclosure Policy”) is described below.

4.5.3 Timely and Accurate Disclosure of Information to Investors

While having to protect the confidential nature of all information unknown to the public in order to preserve trade secrets and ensure the patentability of the intellectual property arising from its research efforts, the Corporation must ensure that investors are provided, rapidly and as regularly as possible, with information that may have significant impact on the price or value of their shares. Such information made available to the market must be accurate and complete in order to allow investors to make informed investment decisions.

In 2006, the Board of Directors adopted the Disclosure Policy which aims at specifying measures taken by DiagnoCure to preserve the confidentiality of confidential information and to favour transparency and integrity in the disclosure of information to the public in accordance with the applicable securities legislation.

The Corporation also implemented a disclosure committee (the “Disclosure Committee”) composed of members of management of the Corporation, one of whom is also a director. The Disclosure Committee is namely responsible for the implementation of the Disclosure Policy. Under the Disclosure Policy, this Disclosure Committee shall also review disclosure documents (such as financial statements, Management Discussion & Analysis, press releases, Management Proxy Circular and Annual Information Form) before they are submitted, if applicable, to the Board committees and the Board of Directors for final review and approval.

Lastly, the Disclosure Policy also specifies limited periods of time during which insiders are authorized to trade in Shares of the Corporation.

Receipt of Shareholder Proposals for the 2016 Annual Meeting

Under the *Business Corporations Act* (Québec), a registered holder or beneficial owner of common shares that will be entitled to vote at the 2016 annual meeting of shareholders may submit to the Corporation, before December 6, 2015, a proposal in respect of any matter to be raised at such meeting.

Additional Information

Additional financial information is provided in the Corporation's comparative consolidated financial statements and the Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended October 31, 2014, which are contained in the Corporation's 2014 Annual Report, as well as in the 2014 Annual Information Form of the Corporation. The Annual Information Form also includes, under the heading "Audit and Risk Management Committee", additional information on the Audit and Risk Management Committee of the Corporation. Copies of these documents and additional copies of this Circular may be obtained on SEDAR at www.sedar.com or upon request to the Corporation at:

4535 Wilfrid-Hamel Blvd., suite 250,

Québec, Quebec G1P 2J7

Tel: (418) 527-6100

Fax: (418) 527-0240

Email: communications@diagnocure.com

Director's Approval

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

DATED at Québec, Quebec, March 5, 2015

(signed)

Danielle Allard

Corporate Secretary

MANDATE OF THE BOARD OF DIRECTORS (the “Board”)

The role of the Board is to oversee the management of the business and commercial operations of the Corporation to ensure steady growth of the Corporation and maximize shareholder value. Management’s role is to conduct the day-to-day operations in a way that will meet this objective.

The Board shall exercise its role in accordance with its mandate, the *Business Corporations Act (Québec)* and other applicable laws, and the by-laws of the Corporation (the “Regulations”). To the extent permitted by applicable laws, the Board may delegate the preliminary study of the issues under its responsibilities to Board committees. The Board may also delegate certain matters to the management of the Corporation.

The Board provides for the general decision-making framework for the business and operations of the Corporation and for the delegation of the operational decision-making to the management team as defined hereunder.

1 DIRECTORS

Directors shall act in the interest of the Corporation and do not represent the interests of any specific group of shareholders. They are selected for their skills and experience and are expected to contribute to the Board according to these.

Directors are expected to understand the Corporation’s activities and appreciate its issues, to review the material submitted to them before the Board meetings and to attend all the regular meetings. They are also expected to participate actively in the Board’s discussions and decisions.

2 BOARD COMMITTEES

The Board has set up a Corporate Governance, Human Resources and Nominating Committee and an Audit and Risk Management Committee. The Committees are comprised entirely of independent directors.

The Board can set up other committees from time to time to focus on specific issues under the responsibilities of the Board.

Unless specified otherwise in their respective mandates, the Board committees have no approval authority and their decisions are subject to Board’s approval.

3 RESPONSIBILITIES

3.1 Corporate mission

The Board adopts and monitors the corporate mission to ensure the Corporation undertakes commercial activities in line with shareholders’ interests.

3.2 Strategic planning

The Board:

- 3.2.1 adopts a strategic planning process resulting in a strategic business plan to be reviewed every year, or more often if necessary due to material changes in the underlying assumptions. Such plan takes into account, among other things, the opportunities and risks of the business. Annually, the Board also approves an operating plan, which details the tactical actions in line with the strategic plan, as well as the human and financial resources necessary to meet the strategic objectives.
- 3.2.2 reviews and makes all decisions with regard to merger & acquisitions opportunities in line with shareholders’ objectives and interests.

3.3 Human resources and performance management

Upon the recommendation of the Corporate Governance, Human Resources and Nominating Committee, the Board:

- 3.3.1 approves an organisational structure to ensure the effective management of the Corporation;
- 3.3.2 selects the President & Chief Medical Officer and approves the nomination of the other officers of the Corporation;
- 3.3.3 approves a detailed description of duties and responsibilities for the President & Chief Medical Officer as well as the corporate goals and objectives that the President & Chief Medical Officer is responsible of meeting annually and over the long term; receives the Corporate Governance, Human Resources and Nominating Committee report on the annual assessment of the President & Chief Medical Officer's performance;
- 3.3.4 approves the hiring and nomination of other senior managers reporting to the President & Chief Medical Officer, including their job descriptions;
- 3.3.5 adopts a succession planning process for the management of the Corporation; such process should include appropriate training and monitoring of successors' development;
- 3.3.6 each year, approves the compensation of the President & Chief Medical Officer and other executives, adopts the compensation policy for the other employees of the Corporation, as well as the overall cash compensation budget;
- 3.3.7 approves from time to time significant employee and management benefits, such as the pension plan and stock option plan.

3.4 Financial issues and internal controls

The Board:

- 3.4.1 reviews certain documents of the Corporation before their public release or their filing with the regulatory authorities, as specified under the *Policy on Disclosure and Securities Trading* of the Corporation;
- 3.4.2 receives regular reports from the Audit and Risk Management Committee on the following issues and takes action if necessary:
 - a) reliability of the financial statements and related information;
 - b) identification of the principal risks of the Corporation's business, and the implementation and monitoring of appropriate systems to manage these risks;
 - c) the Corporation's internal control and management information systems.

Upon recommendation of the Audit and Risk Management Committee, the Board:

- 3.4.3 annually adopts the operational budget of the Corporation;
- 3.4.4 approves the investments of the Corporation;
- 3.4.5 approves any provision regarding the share capital of the Corporation (number of classes, series within each class, and shares in each series, and the designation, rights and restrictions attaching to the shares of each such series);
- 3.4.6 approves agreements, certificates and other instruments providing for an exchange right, option or right to acquire shares of the Corporation;
- 3.4.7 adopts the dividend policy of the Corporation, if any;

3.5 Corporate governance

Upon recommendation of the Corporate Governance, Human Resources and Nominating Committee, the Board approves the following governance documents and activities:

- 3.5.1 a set of corporate governance principles and guidelines;

- 3.5.2 a written Code of Professional Ethics for the directors, management and employees of the Corporation; the Board delegates the compliance oversight of the Code of Professional Ethics to the Corporate Governance, Human Resources and Nominating Committee;
- 3.5.3 descriptions of duties and responsibilities for the chairpersons of the Board and its committees;
- 3.5.4 guidelines for appropriate orientation of the new directors and continuing education opportunities of all directors;
- 3.5.5 nomination process of new directors, including the list of candidates recommended by the Corporate Governance, Human Resources and Nominating Committee for election by the shareholders;
- 3.5.6 compensation of Board directors;
- 3.5.7 adoption of a process whereby all the directors participate in an annual assessment of the Board's effectiveness and performance;
- 3.5.8 adoption of a process to review periodically the competencies required to be a director of the Corporation, and assess annually each director's effectiveness and contribution in regard of Board's expectations.

In addition, the Board,

- 3.5.9 to the extent feasible, ensures that the President & Chief Medical Officer and the officers act with integrity and maintain a culture of integrity throughout the Corporation;
- 3.5.10 receives reports from the Corporate Governance, Human Resources and Nominating Committee on the following issues and takes action as necessary:
 - a) reliability of the report on compensation of executives included in the management proxy circular;
 - b) communication of the corporate governance principles in the official documents as required by the applicable legislation and regulation;
 - c) conduct of the annual meeting and extraordinary meetings of the shareholders;
 - d) hiring of external consultants;
 - e) appropriateness of the liability insurance coverage for the Corporation for directors and officers.

4 COMMUNICATIONS

The Board adopts and monitors a *Policy on Disclosure and Securities Trading* for the Corporation in compliance with the regulation applicable to reporting issuers, as developed and recommended by the Corporate Governance, Human Resources and Nominating Committee.

Stakeholders may provide feedback to the Board by contacting any director, who in turn must ensure that the designated spokespersons of the Corporation answer such feedback as and if necessary.

The Board adopts, and reviews as needed, a Whistle Blowing Policy, which allows any stakeholder, including employees, to report concerns about the Corporation's activities to the Chairman of the Audit and Risk Management Committee.

5 BOARD COMPOSITION

In accordance with the articles of the Corporation, the Board is composed of at least three (3) and a maximum of ten (10) directors. The Board monitors the size and composition of the Board and its committees taking into account the directors' competencies and personal qualifications, as recommended by the Corporate Governance, Human Resources and Nominating Committee.

A majority of the Board's directors are independent.

The Chairperson of the Board is an independent director; or, if the Chairperson is not independent, an independent Lead Director is appointed.

Each director elected by the shareholders holds office from the date of the meeting at which said director is elected until the close of the annual shareholders meeting following his or her election or such time as his or her successor is elected. An appointed director only remains in office during the remaining term of the director he or she replaces or, in the case of an additional director appointed by the other directors pursuant to the by-laws of the Corporation, until his or her election or replacement at the next annual shareholders meeting following his or her appointment. The term of a director may end earlier if the director resigns, dies, no longer possesses the required qualifications, is relieved, or the Corporation ceases to exist.

6 MEETINGS AND QUORUM

The Board meets at least once every quarter and otherwise as needed. The Chairperson of the Board chairs those meetings. In the absence of the Chairperson, any director chosen by a majority of the members of the Board chairs the meeting.

Once every quarter, the independent directors hold meetings without the attendance of the non-independent directors and members of management. The Chairperson of the Board if independent, or the Lead Director, chairs those meetings. In the absence of the Chairperson or of the Lead Director, any independent director chosen by a majority of the independent directors then present chairs the meeting.

A Board meeting is called to order when a majority of Board members are in attendance.

7 VOTES

When an issue is subject to a vote by the Board members, decisions are based on a majority of votes of the members in attendance. In case of an equality of votes, the chair of the meeting will not be entitled to a second or casting vote.

8 REVIEW OF MANDATE

Once a year, the Board reviews the present mandate to ensure it continues to comply with all Regulations and supports the Board in fulfilling its role.

Revised and adopted by the Board of directors, March 5, 2015

**MANDATE OF THE CORPORATE GOVERNANCE, HUMAN RESOURCES
AND NOMINATING COMMITTEE**
(the “Committee”)

1 PURPOSE OF THE COMMITTEE

The Corporate Governance, Human Resources and Nominating Committee assists the Board on issues related to corporate governance, compensation and performance of the Board and its Committees, compensation and performance of the Corporation’s management and employees, and nomination of directors and officers of the Corporation. Unless specified otherwise hereunder, the Committee has no decisional authority and makes recommendations to the Board on the issues under its responsibility.

2 RESPONSIBILITIES

2.1 Human resources and performance management

The Committee:

- 2.1.1 reviews periodically the organisational structure of the Corporation and makes recommendations to the Board as needed;
- 2.1.2 when needed, identifies and recommends candidates for the position of President & Chief Medical Officer, following a formal process;
- 2.1.3 reviews and recommends a detailed description of duties and responsibilities for the President & Chief Medical Officer as well as the corporate goals and objectives that he/she is responsible of meeting annually and over the long term; annually assesses the President & Chief Medical Officer’s performance and reports to the Board on this appraisal;
- 2.1.4 reviews the President & Chief Medical Officer’s recommendations with regard to the nomination of other senior managers reporting to him, including their job descriptions;
- 2.1.5 develops and recommends a succession planning process for the management of the Corporation; such process should include appropriate training and monitoring of successors’ development;
- 2.1.6 annually reviews and recommends the compensation of the President & Chief Medical Officer, reviews the President & Chief Medical Officer’s recommendation with regard to the compensation of other senior managers, reviews and recommends the compensation policy for the other employees of the Corporation, discusses and recommends the overall cash compensation budget;
- 2.1.7 reviews and recommends from time to time significant employee and management benefits, such as the pension plan and stock option plan;
- 2.1.8 reviews and recommends the annual management proxy circular, in particular the list of candidates for the Board, and the description of the Officers’ and Directors’ compensation.

2.2 Corporate governance

The Committee:

- 2.2.1 develops and recommends the Corporation’s approach to corporate governance, including corporate governance principles and guidelines in line with the Corporation’s mission and objectives;
- 2.2.2 at least annually, reviews and recommends an effective structure for the Board and its committees, including the number of directors, taking into account the directors’ competencies and individual qualifications;
- 2.2.3 develops and recommends detailed descriptions of duties and responsibilities of the chairpersons of the Board and its committees;

- 2.2.4 develops, reviews, and recommends guidelines for appropriate orientation of the new directors and continuing education opportunities of all directors;
- 2.2.5 develops and recommends a nomination process of new directors; identifies and recommends the candidates based on the following criteria:
 - a) Professional qualifications - to ensure proper balance among Board members
 - b) Experience in the management of a public corporation
 - c) Experience/knowledge of the biotech/diagnostics/service laboratory industry
 - d) Business acumen
- 2.2.6 reviews and recommends the compensation of Board directors; may hire an external consultant for a more in-depth review;
- 2.2.7 develops, recommends and implements a process whereby all the directors participate in an annual assessment of the Board's effectiveness and performance;
- 2.2.8 develops, recommends and implements a process to review periodically the competencies required to be a director of the Corporation and assess annually each director's effectiveness and contribution in regard of Board's expectations;
- 2.2.9 develops, recommends and monitors the compliance with the written Code of Professional Ethics for the directors, management and employees of the Corporation;
- 2.2.10 reviews the Policy on Disclosure and Securities Trading, assesses its efficacy and makes appropriate recommendations to the Board;
- 2.2.11 ensures that the corporate governance principles of the Corporation are communicated in the management proxy circular, and that such communication complies with the applicable legislation and regulation;
- 2.2.12 makes recommendations to the Board on the conduct of the annual meeting and extraordinary meetings of the shareholders;
- 2.2.13 reviews and authorises directors' requests to hire external consultants at the Corporation's expense;
- 2.2.14 annually reviews the liability insurance coverage of the Corporation for directors and officers.

3 COMPOSITION

The Committee is comprised of at least two (2) independent directors and a maximum of five (5).

The Committee members are appointed each year by the Board. The Board may at all times appoint another member to replace a vacancy or simply replace a member.

The Committee members are appointed on the basis of their knowledge and experience with corporate governance and human resources issues.

The Board appoints one of the Committee members as the chairperson of the Committee.

4 MEETINGS AND QUORUM

The Committee meets at least once every quarter and otherwise as needed. The chairperson of the Committee chairs the meetings.

The Committee meeting is called to order when a majority of Committee members are in attendance.

The Committee reports regularly to the Board on its discussions and submits its recommendations.

5 INDEPENDENT CONSULTANTS

As needed, the Committee can hire an independent consultant to help with issues under its responsibilities, agree on the fees and other contractual conditions and have the Corporation pay for the agreed upon expenses.

6 REVIEW OF MANDATE

The Committee must review this mandate at least once a year and recommends amendments to the Board as needed.

7 PERFORMANCE ASSESSMENT

Each year, the Committee members assess the Committee's performance and report on its mandate to the Board.

Revised and adopted by the Board of Directors, March 5, 2015.