



**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR OF
IMMUNOVACCINE INC.**

March 18, 2016

**Suite 412
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Halifax, Nova Scotia
B3H 0A8**

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders (the “**Meeting**”) of Immunovaccine Inc. (the “**Corporation**”) will be held at the Innovation Enterprise Centre, 1344 Summer Street, in Halifax, Nova Scotia, Canada, at **12:30 pm ADT, on April 14, 2015**, for the purposes of:

1. receiving the financial statements of the Corporation for the year ended December 31, 2015 and the report of the auditor thereon;
2. electing directors for the ensuing year;
3. appointing auditor and authorizing the directors to fix its remuneration; and
4. transacting such other business as may properly be brought before the Meeting.

Halifax, Nova Scotia, March 18, 2016

By order of the Board of Directors

(s) Kimberly Stephens
Ms. Kimberly Stephens
Chief Financial Officer

IMPORTANT

Shareholders may exercise their rights by attending the Meeting or by completing a form of proxy. If you are unable to attend the Meeting in person, please complete, date, and sign the enclosed form of proxy and return it in the envelope provided for that purpose. Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 OR Suite 2008, Purdy’s Wharf Tower II, 1969 Upper Water Street, Halifax, Nova Scotia, B3J 3R7, no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting. **Your Shares will be voted in accordance with your instructions as indicated on the form of proxy or, if no instructions are given on the form of proxy, the proxy holder will vote “IN FAVOUR” of each of the matters indicated above.**

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 the Corporation 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 your securities on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding your securities 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. The Corporation or its agent is sending these materials directly to non-registered owners who are “non-objecting beneficial owners” as defined in Canadian securities laws.

IMMUNOVACCINE INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information contained in this management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies from registered owners of common shares (the “**Shares**”) of Immunovaccine Inc. (the “**Corporation**”, “**we**,” “**our**” and “**us**,” as the context requires) (and of voting instructions in the case of non-registered owners of Shares) to be used at the annual meeting of shareholders of the Corporation (the “**Shareholders**”) to be held on April 14, 2016 at 12:30 pm ADT at the time and place and for the purposes set forth in the accompanying notice of meeting and at all adjournments, thereof (the “**Meeting**”). It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally by our employees. **The solicitation of proxies and voting instructions by this Circular is being made by or on behalf of our management.** The total cost of the solicitation of proxies will be borne by us. The Corporation shall send directly to the non-objecting beneficial owners of Shares the proxy documents. The Corporation shall send indirectly the proxy documents to the objecting beneficial owners of Shares and shall reimburse brokers and other persons holding Shares on their behalf or on behalf of nominees, for reasonable costs incurred in sending the proxy documents to the objecting beneficial owners. The information contained in this Circular is given as at March 18, 2016, except where otherwise noted.

REGISTERED OWNERS

If you are a registered owner of Shares, you may vote in person at the Meeting or you may appoint another person to represent you as proxy holder and vote your Shares at the Meeting. If you wish to attend the Meeting, do not complete or return the enclosed form of proxy because you will vote in person at the Meeting. Please register with the transfer agent, Computershare Investor Services Inc., when you arrive at the Meeting.

Appointment of Proxies

If you do not wish to attend the Meeting, you should complete and return the enclosed form of proxy. The individuals named in the form of proxy are representatives of our management and are directors and officers of the Corporation. **You have the right to appoint someone else to represent you at the Meeting.** If you wish to appoint someone else to represent you at the Meeting, insert that other person’s name in the blank space in the form of proxy. The person you appoint to represent you at the Meeting need not be a shareholder of the Corporation. To be valid, proxies must be deposited with the Corporation either by using the enclosed return envelope or by faxing the proxy to Immunovaccine Inc., c/o Computershare Investor Services Inc., Facsimile: (902) 420-2764 not later than 12:30 pm ADT on April 14, 2016 or, if the Meeting is adjourned, 48 hours, (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

Revocation

If you have submitted a proxy and later wish to revoke it you can do so by:

(a) completing and signing a form of proxy bearing a later date and depositing it with Computershare Investor Services Inc. as described above;

(b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf): (i) at our registered office at Suite 412, 1344 Summer Street, Halifax, Nova Scotia, B3H 0A8 at any time up to the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used; or (ii) with the chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment of the Meeting;

(c) electronically transmitting your revocation in a manner permitted by law, provided that the revocation is received: (i) at our registered office at Suite 412, 1344 Summer Street, Halifax, Nova Scotia, B3H 0A8 at any

time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used; or (ii) by the chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment of the Meeting; or

(d) following any other procedure that is permitted by law.

Voting of Proxies

In connection with any ballot that may be called for, the management representatives designated in the enclosed form of proxy, or any other person you may have appointed, will vote or withhold from voting your Shares in accordance with the instructions you have indicated on the proxy and, if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **In the absence of any direction, your Shares will be voted by the management representatives IN FAVOUR of the election of directors, IN FAVOUR of the appointment of the auditor, IN FAVOUR of the resolution approving the amended stock option plan and IN FAVOUR of the resolution ratifying a new by-law relating to the advance notice of director nominations.**

The management representatives designated in the enclosed form of proxy have discretionary authority with respect to amendments to or variations of matters identified in the accompanying notice of meeting and with respect to other matters that may properly come before the Meeting. At the date of this Circular, our management knows of no such amendments, variations or other matters.

NON-REGISTERED OWNERS

If your Shares are registered in the name of a depository (such as The Canadian Depository for Securities Limited) or an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self administered RRSP, RRIF, RESP or similar plan), you are a non-registered owner.

Only registered owners of Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. If you are a non-registered owner, you are entitled to direct how the Shares beneficially owned by you are to be voted or you may obtain a form of legal proxy that will entitle you to attend and vote at the Meeting.

In accordance with Canadian securities law, we have distributed copies of the notice of meeting, this Circular and the 2015 financial statements of the Corporation (collectively, the “**Meeting Materials**”) to the intermediaries for onward distribution to non-registered owners who have not waived their right to receive them. Typically, intermediaries will use a service company (such as Broadridge Investor Communications Solutions) to forward the Meeting Materials to non-registered owners.

If you are a non-registered owner and have not waived your right to receive Meeting Materials, you will receive either a request for voting instructions or a form of proxy with your Meeting Materials. The purpose of these documents is to permit you to direct the voting of the Shares you beneficially own. You should follow the procedures set out below, depending on which type of document you receive.

A. Request for Voting Instructions.

If you do not wish to attend the Meeting (or have another person attend and vote on your behalf), you should complete, sign and return the enclosed request for voting instructions in accordance with the directions provided. You may revoke your voting instructions at any time by written notice to your intermediary, except that the intermediary may not be required to honour the revocation unless it is received at least seven days before the Meeting.

If you wish to attend the Meeting and vote in person (or have another person attend and vote on your behalf), you must complete, sign and return the enclosed request for voting instructions in accordance with the directions provided and a form of proxy will be sent to you giving you (or the other person) the right to attend and vote at the Meeting. You (or the other person) must register with the transfer agent, Computershare Investor Services Inc., when you arrive at the Meeting.

OR**B. Form of Proxy.**

The form of proxy has been signed by the intermediary (typically by a facsimile, stamped signature) and completed to indicate the number of Shares beneficially owned by you. Otherwise, the form of proxy is incomplete.

If you do not wish to attend the Meeting, you should complete the form of proxy in accordance with the instructions set out in the section titled “Registered Owners” above.

If you wish to attend the Meeting, you must strike out the names of the persons named in the proxy and insert your name in the blank space provided. To be valid, proxies must be signed and deposited at the office of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., no later than 48 hours prior to the Meeting or any adjournment thereof. You must register with the transfer agent, Computershare Investor Services Inc., when you arrive at the Meeting.

You should follow the instructions on the document that you have received and contact your intermediary promptly if you need assistance.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an executive officer of the Corporation nor any proposed nominee for election as a director of the Corporation at any time since the beginning of its last completed financial year, or any associate of any such director, officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of March 18, 2016, the Corporation had 92,040,670 Shares issued and outstanding, being the only class of securities of the Corporation entitled to be voted at the Meeting. Each holder of Shares of record at the close of business on March 10, 2016, the record date established for notice of the Meeting, will be entitled to vote on all matters proposed to come before the Meeting on the basis of one vote for each Share held.

As at March 18, 2016, to the knowledge of our directors and officers, the following person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting shares of the Corporation.

<u>Name and place of business</u>	<u>Number of shares held</u>	<u>Percentage</u>
Ruffer LLP London, United Kingdom	13,636,420	14.81%

BUSINESS TO BE TRANSACTED AT THE MEETING**Presentation of the Financial Statements**

The financial statements of the Corporation, for the year ended December 31, 2015 and the auditor’s report thereon, will be presented to the Shareholders at the Meeting, but no vote with respect thereto is required or proposed to be taken.

Election of Directors

The articles of the Corporation provide that the Board of Directors of the Corporation (the “**Board**”) shall consist of a minimum of one director and a maximum of 15 directors.

Majority Voting Policy

The Board has adopted a majority voting policy for the election of directors (the “**Majority Voting Policy**”). The form of proxy that accompanies this Circular enables Shareholders to vote in favour of, or to withhold their vote, separately for each director nominee. The voting results will be publicly disclosed promptly after the Meeting through a voting results report filed on the SEDAR website at www.sedar.com.

The Majority Voting Policy provides that, in an uncontested election, if a director nominee is not elected by at least a majority (50% +1 vote) of the votes cast by Shareholders with respect to his election, the director nominee will be considered by the Board not to have received the support of the Shareholders and such nominee must immediately submit his resignation to the Board, effective on acceptance by the Board. The Board will refer the resignation to the Compensation and Corporate Governance Committee for consideration.

It is generally expected that the Compensation and Corporate Governance Committee will recommend that the Board accept such resignation, save for exceptional circumstances. Within 90 days following the applicable meeting of the Shareholders, the Board will determine whether to accept or reject the director resignation offer that has been submitted, on the recommendation of the Compensation and Corporate Governance Committee and will promptly publicly disclose its decision via a press release. A director who so tenders his or her resignation will not participate in any discussion or action of the Compensation and Corporate Governance Committee or of the Board with respect to the decision to accept his or her resignation. In cases where the Board determines to reject the resignation, the reasons for its decision will also be disclosed. If a resignation is accepted, the Board may appoint a new director to fill any vacancy, or may reduce the size of the Board.

At the Meeting, management of the Corporation will propose that the Board be constituted of six directors, all of whom to be elected annually. The directors elected at the Meeting shall remain in office until the dissolution of any shareholders’ meeting appointing their successors.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the election of the six nominees whose names are set forth hereafter.

The following table and the notes thereto state the names and places of residence of all persons proposed to be nominated for election as directors of the Corporation, the positions they hold with the Corporation, their principal occupations or employments during the past five years, the year such persons began to serve as directors of the Corporation and the number of Shares beneficially owned or over which control or direction is exercised by each of them as at March 18, 2016. Each director will hold office until the next annual meeting of shareholders or until his successor is duly elected, unless prior thereto the director resigns or the director’s office becomes vacant by reason of death or other cause.

Name and Municipality of Residence	Position Held with the Corporation	Principal Occupation during Past Five Years	Director Since	Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽⁶⁾
Albert Scardino ⁽¹⁾ (London, United Kingdom)	Chairman of the Board and Director	Chairman of Auctionair Limited (on-line auction retailer); Vice-Chairman of The Tree Council (non-profit environmental policy organization); and Trustee of Media Standards Trust (non-profit that monitors ethical performance of UK news outlets)	July 29, 2010	5,510,195
James Hall ^{(3) (4)} (Toronto, Ontario, Canada)	Director	Vice President of Callidus Capital Corporation (specialized asset-based lender to companies in Canada and the United States) President of James Hall Advisors Inc. (advisory firm)	February 22, 2010	5,000

Name and Municipality of Residence	Position Held with the Corporation	Principal Occupation during Past Five Years	Director Since	Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽⁶⁾
Wade K. Dawe ^{(2) (4)} (Halifax, Nova Scotia, Canada)	Director	Chairman and Chief Executive Officer of Fortune Bay Corp. Former President, Chief Executive Officer and Chairman of Brigus Gold Corp. (formerly Linear Gold Corp.) and Chairman of Stockport Exploration Inc. (formerly Linear Metals Corporation) (mining companies)	September 25, 2014 ⁽⁵⁾	3,646,107
Wayne Pisano ^{(2) (3)} (Asbury, New Jersey, USA)	Director	Chief Executive Officer of VaxInnate (pandemic and influenza vaccine company) and Former Chief Executive of Sanofi Pasteur (pediatric and adult vaccine manufacturing company)	October 17, 2011	35,000
Alfred Smithers ⁽⁴⁾ (Halifax, Nova Scotia, Canada)	Director	President and Chief Executive Officer of Iona Resources Holdings Limited (investment company)	September 25, 2014	3,587,500
Bradley Thompson ^{(2) (3)} (Calgary, Alberta, Canada)	Director	Executive Chairman, Chief Executive Officer and President of Oncolytics Biotech Inc. (biotech company)	June 22, 2011	70,000

(1) Mr. Scardino is a non-voting member of the Compensation and Corporate Governance Committee and the Finance Committee.

(2) Member of the Compensation and Corporate Governance Committee.

(3) Member of the Audit Committee.

(4) Member of the Finance Committee.

(5) Mr. Dawe was first elected as director of the Corporation on May 18, 2007. Mr. Dawe did not stand for re-election at the 2014 annual general meeting of the Shareholders of the Corporation. However, he was reappointed as director on September 25, 2014.

(6) The information as to the number of Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been furnished by each director individually as of March 20, 2015.

As at March 18, 2016, as a group, the Corporation's directors and executive officers beneficially owned, directly or indirectly, or exercised control of over an aggregate of 13,059,552 Shares of the Corporation representing 14.18% of the outstanding Shares.

Biographies

Albert Scardino, Chairman of the Board and Director

Mr. Scardino is a technology and media investor. He has extensive experience as a director of both for-profit and not-for-profit organizations, public and private, in the US and the UK. He has written and served as Chairman and Editor for his own newspaper, The Georgia Gazette (where he won a Pulitzer Prize), as well as a correspondent, commentator and editor for The New York Times, The Guardian, The Independent, the BBC and Sky News. He has served as a communications director in political campaigns and government. He earned his bachelor's degree at Columbia University and his master's at the University of California, Berkeley. He has been an investor in Immunovaccine since 2005, a director since 2010 and chairman since 2011.

Wade K. Dawe, Director

Mr. Dawe is an accomplished entrepreneur, financier and investor based in Halifax, Nova Scotia Canada. He currently serves as Chairman and CEO of Fortune Bay Corp., a TSX listed company formed in 2014. Mr. Dawe has founded or co-founded a number of successful companies. He was recently Chairman & Chief Executive Officer of Brigus Gold Corp., a NYSE and TSX publically listed gold production company. Brigus Gold was acquired by Primero Mining Corp. in March, 2014. Mr. Dawe holds a Bachelor of Commerce degree from Memorial University of Newfoundland (MUN), where he currently serves on the Advisory board to the Faculty of Business Administration. Mr. Dawe, a native of Newfoundland and Labrador, also serves on the Queen Elizabeth II Hospital Foundation and is a member of the Young Presidents' Organization (YPO), an international organization for business leaders. He established and personally funds the annual James R. Pearcey Entrepreneurial Scholarship at

MUN and recently funded DC Makes, a new entrepreneurship-based program at the Discovery Centre in Halifax, NS.

James W. Hall, Director

Mr. Hall is Vice President of Callidus Capital Corporation – a specialized asset-based lender to companies in Canada and the United States. He is also President of James Hall Advisors Inc., a financial and management advisory firm. Prior to Advisors, Mr. Hall was Chairman and Chief Executive Officer of Philadelphia-based pure-play newspaper company Journal Register Company, and served as Senior Vice President & Chief Investment Officer of private equity investment fund Working Ventures Canadian Fund Inc. from 1990 to 2002. Mr. Hall is a director of Atomic Energy of Canada Limited and Trustee of an OMERS Trust. A Chartered Accountant (CPA, CA), Mr. Hall is a graduate of the Richard Ivey School of Business at Western University in London, Ontario.

Wayne Pisano, Director

Mr. Pisano has more than 30 years of experience as a pharmaceutical industry executive and was recognized in 2010 as Pharma Executive of the Year by the World Vaccine Congress. He is currently the president and CEO of VaxInnate a privately held biotech company. He joined Immunovaccine's board in October 2011 with a depth of experience across the spectrum of commercial operations, public immunization policies and pipeline development. Mr. Pisano is the former president and CEO of Sanofi Pasteur, one of the largest vaccine companies in the world. He joined Sanofi Pasteur in 1997 and was promoted to President and CEO in 2007, the position he successfully held until his retirement in 2011. During his tenure as CEO, Mr. Pisano bolstered the Sanofi Pasteur pipeline with the acquisitions of Acambis PLC, a bio-tech based in Boston in 2008 and Shantha Biotechnics, a highly regarded Indian vaccine company in 2010. Prior to joining Sanofi Pasteur, he spent 11 years with Novartis (formerly Sandoz). He has a bachelor's degree in biology from St. John Fisher College, New York and an MBA from the University of Dayton, Ohio.

Alfred (Fred) Smithers, Director

Mr. Smithers is the President and Chief Executive Officer of Iona Resources Holdings Limited. He was founder and former President and Chief Executive Officer of the Secunda Group of Companies. For six consecutive years, Secunda Marine Limited was named one of the "50 Best Managed Companies in Canada" by Deloitte & Touche. Mr. Smithers sold Secunda Marine Services to J. Ray McDermott, an NYSE-listed company, in 2007. With a history of past board appointments, Mr. Smithers currently sits on the Board of Directors of the Dartmouth General Hospital, and is on the Advisory Board of Marsh Canada Limited, and Atlantic Signature Mortgage & Loan. In 2003 Mr. Smithers was named one of the "Top 50 CEOs of Atlantic Canada", and is a member of the Nova Scotia Business Hall of Fame. He received an Honorary Diploma from the Nova Scotia Community College and holds an Honorary Doctorate in Commerce from Saint Mary's University. He is a recipient of the Canadian Red Cross Humanitarian Award, an Officer of the Order of Canada, and the Honorary British Consul for the Maritimes.

Bradley Thompson, Director

Dr. Thompson has served as Executive Chairman, Chief Executive Officer and President of Oncolytics Biotech Inc. from 1999 to the present. Prior to joining Oncolytics, he served as Chief Executive Officer of SYNORB Biotech Inc. from 1994. He has served on numerous public company boards of NASDAQ, TSX, and TSXV listed companies, and the boards of BIOTEC Canada and BioAlberta. Dr. Thompson received his Ph.D. from the University of Western Ontario in the Department of Microbiology and Immunology.

Shareholding, Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below and to the knowledge of the Corporation, none of the proposed directors of the Corporation is, as of the date hereof, or within 10 years before the date hereof, has been:

- (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

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

(b) a director or executive officer of any company (including the Corporation) 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 become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For the purposes of (a) above, “order” means 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, in each case that was in effect for a period of more than 30 consecutive days.

Except as disclosed below and to the knowledge of the Corporation, none of the proposed directors of the Corporation 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 securityholder in deciding whether to vote for a proposed director.

Mr. James Hall was Chairman and Chief Executive Officer of Journal Register Corporation (“JRC”) on February 21, 2009 when it filed a voluntary petition for relief under the U.S. Bankruptcy Code (pre-negotiated joint Chapter 11 plan of reorganization). Mr. Hall left JRC in March 2009.

APPOINTMENT OF AUDITOR

At the Meeting, the Shareholders will be asked to approve a resolution to appoint the auditor of the Corporation until the close of the next annual meeting of the Shareholders. The Board, upon the advice of the Audit Committee, recommends that PricewaterhouseCoopers LLP, chartered accountants of Halifax, Nova Scotia, be appointed as auditor of the Corporation. The appointment of PricewaterhouseCoopers LLP must be approved by a majority of the votes cast on the matter at the Meeting. PricewaterhouseCoopers LLP were first appointed auditor of the Corporation in 2003.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of retaining PricewaterhouseCoopers LLP, chartered accountants of Halifax, Nova Scotia, as auditor of the Corporation to hold office until the next annual meeting of the Shareholders and to authorize the directors of the Corporation to determine the auditor’s remuneration.

DIRECTOR COMPENSATION

Director Compensation Table

Annual retainers and option-based awards were earned by the members of the Board who are not employees or officers of the Corporation on the following basis during the year ended December 31, 2015.

Name	Fees Earned (\$)	Option-based Awards ⁽¹⁾⁽²⁾ (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Wade K. Dawe	55,000	27,500	Nil	Nil	Nil	82,500
James Hall	45,000	27,500	Nil	Nil	Nil	72,500
Wayne Pisano	45,000	27,500	Nil	Nil	Nil	72,500
Albert Scardino	70,000	41,250	Nil	Nil	Nil	111,250
Alfred Smithers	36,250	27,500	Nil	Nil	Nil	63,750
Bradley Thompson	38,750	27,500	Nil	Nil	Nil	66,250

(1) Options are vesting in three instalments every 6 months following their date of grant.

(2) The fair value of the stock options granted annually is obtained by multiplying the number of options granted by their value established according to the Black-Scholes model. This value is the same as the fair book value established in accordance with International Financial Reporting Standards and accounting for the following assumptions:

	<u>\$0.66 exercise price grant</u>
Risk free rate:	3%
Dividend yield:	0%
Volatility:	129%
Expected lifetime:	4.3 years
Fair value per option:	\$0.55

Annual retainers fees were paid to the members of the Board who are not employees or officers of the Corporation during the year ended December 31, 2015, on the following basis:

Annual Retainer:

Chairman of the Board:	\$60,000
All other Directors:	\$30,000
Chairman of Finance Committee:	\$20,000
Chairman of Audit Committee:	\$10,000
Chairman of Corporate Governance and Compensation Committee:	\$10,000
Committee Member:	\$ 5,000

Former annual grant of options under the terms of the stock option plan:

Chairman of the Board:	75,000
All other Directors:	50,000

For 2016, the Board of Directors has elected not to proceed to any grant of stock options to its members.

Outstanding Share-Based Awards and Option-Based Awards

The following table presents details of all outstanding option-based awards and share-based awards to the Board as at December 31, 2015.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards not paid out or distributed (\$)
Wade K. Dawe ⁽¹⁾	7,500	0.670	03/31/2016	525	N/A	N/A
	10,000	1.000	03/31/2017	-		
	10,000	1.000	03/31/2018	-		
	10,000	1.000	03/31/2019	-		
	35,000	0.400	03/09/2017	11,900		
	35,000	0.280	04/30/2018	16,100		
	50,000	0.740	01/17/2019	-		
	50,000	0.660	02/02/2020	4,000		
James W. Hall	35,000	0.400	03/09/2017	11,900	N/A	N/A
	35,000	0.280	04/30/2018	16,100		
	50,000	0.740	01/17/2019	-		
	50,000	0.660	02/02/2020	4,000		
Wayne Pisano	50,000	0.450	11/08/2016	14,500	N/A	N/A
	35,000	0.400	03/09/2017	11,900		
	35,000	0.280	04/30/2018	16,100		
	50,000	0.740	01/17/2019	-		
	50,000	0.660	02/02/2020	4,000		
Albert Scardino	60,000	0.400	03/09/2017	18,000	N/A	N/A
	60,000	0.280	04/30/2018	25,200		
	75,000	0.740	01/17/2019	-		
	75,000	0.660	02/02/2020	6,000		
Alfred Smithers	50,000	0.790	09/25/2019	-	N/A	N/A
	50,000	0.660	02/02/2020	4,000		
Bradley Thompson	50,000	0.550	08/26/2016	9,500	N/A	N/A
	50,000	0.740	01/17/2019	-		
	50,000	0.660	02/02/2020	4,000		

(1) The value of the unexercised in-the-money options at the financial year-end is the difference between the closing price of the Shares on December 31, 2015 (\$0.74) on the TSX and their respective exercise prices.

Incentive Plan Awards – Value Vested or Earned during the year ended December 31, 2015

The table below presents the value vested during the year ended December 31, 2015 of all awards to the directors of the Corporation and the value earned during the year ended December 31, 2015 for awards to the directors of the Corporation under non-equity incentive plans.

Name	Option-Based Awards - Value Vested During 2015 (\$)	Share-Based Awards - Value Vested During 2015	Non-equity Incentive Plan Compensation - Value Earned during 2015
Wade K. Dawe ⁽¹⁾	25,898	N/A	N/A
James W. Hall	25,898	N/A	N/A
Wayne Pisano	25,898	N/A	N/A
Albert Scardino	38,846	N/A	N/A
Alfred Smithers	42,081	N/A	N/A
Bradley Thompson	25,898	N/A	N/A

COMPENSATION DISCUSSION AND ANALYSIS

Compensation philosophy

The Corporation's executive compensation program is based on the philosophy that in order to enhance long-term shareholder value, a strong and motivated leadership team must exist whose interests are aligned with the Corporation's strategic goals.

To build and retain a high performing leadership team, the Corporation needs to be competitive with other comparable clinical-stage biotechnology companies. To enable the Corporation to attract and retain talent, compensation must balance fixed and variable components including strong base salaries along with both long- and short-term incentives that are tied to objective performance goals. The intent is to reward executives for demonstrated leadership and the achievement of strategic goals. By having these components of compensation in place, the executive leaders will focus on attaining the corporate performance goals, thereby creating success for the Corporation and creating value for our Shareholders.

Members of Compensation and Corporate Governance Committee

The members of the Compensation and Corporate Governance Committee are currently Mr. Wayne Pisano (Chairman), Mr. Wade Dawe and Mr. Bradley Thompson. Mr. Albert Scardino attends the meetings of the Compensation and Corporate Governance Committee as Chairman of the Board. Mr. Pisano, Mr. Dawe and Mr. Thompson are all independent.

The education and related experience (as applicable) of each current Compensation and Corporate Governance Committee member is described below:

Wayne Pisano – Mr. Pisano is currently the Chief Executive Officer of VaxInnate, a pandemic and influenza vaccine company. He also was the Chief Executive Officer of Sanofi Pasteur for over 3.5 years and had direct responsibility in evaluating the compensation levels for other executive officers.

Wade Dawe – Mr. Dawe, as Chairman and Chief Executive Officer of Fortune Bay Corp., is responsible for ensuring compensation levels are competitive and in line with the company's business strategy. He is also the Chairman and Director of Stockport Exploration Inc. and former Chairman and Chief Executive Officer of Brigus Gold Corp.

Bradley Thompson – Mr. Thompson is currently the Executive Chairman and Chief Executive Officer of Oncolytics Biotech Inc. and is responsible for reviewing the compensation levels for other executive officers and corporate governance responsibilities.

Role of Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee of the Corporation (the "**Compensation and Corporate Governance Committee**") has been assigned the responsibility of reviewing the remuneration package for the Chief Executive Officer, the Chief Financial Officer, and other senior executives and to recommend changes, if any, to the Board. In making its recommendations, the Compensation and Corporate Governance Committee considers each individual's performance and remuneration and incentives paid to senior executives of comparable companies. The Compensation and Corporate Governance Committee also seeks the views of the members of the senior executive team, when reviewing compensation for other executive officers. It is also the responsibility of the Compensation and Corporate Governance Committee to review any proposals concerning the Corporation's incentive stock option plan, including grant proposals for approval by the Board.

The Compensation and Corporate Governance Committee evaluates all executive compensation policies and programs with a view to confirming that the policies and programs do not drive behaviors that would result in inappropriate or excessive risk taking, and that the Corporation's compensation policies and practices do not result in identified risks that are likely to have a material effect on the Corporation. This evaluation process which focuses

on five areas: 1) strategic / operational risk; 2) compliance risk; 3) reputational risk; 4) talent risk; and 5) financial / economic risk. Risks are assessed and considered on both an individual element basis and in totality.

The Corporation's remuneration package is designed to attract, retain and reward highly qualified individuals and motivate them to achieve performance objectives aligned with the Corporation's vision and strategic direction and consistent with shareholders value creation. The Corporation's goal is to provide market competitive remuneration consistent with responsibility level, experience and performance. In addition, the Compensation and Corporate Governance Committee also takes into consideration the current financial position of the Corporation, the corporate objectives and evaluation of how these objectives were or were not met, and individual performance when determining annual compensation levels.

Benchmarking

In 2015, the Compensation and Corporate Governance Committee performed a benchmark analysis with respect to the base salary and annual performance bonus components of the Chief Executive Officer's and the Chief Financial Officer's compensation. The annual base salaries and annual performance bonuses of the Chief Executive Officer, the Chief Financial Officer and the Chief Business Officer were benchmarked against a specific peer group.

The peer group was used to benchmark the base salary and annual performance bonuses of the Chief Executive Officer and the Chief Financial Officer. This group was comprised of Canadian public companies that were comparable to the Corporation in terms of activity sector, taking into consideration their stage of development and market capitalization, all of which are selection criteria that the Corporation believes are directly relevant for purposes of benchmarking.

The public companies forming this peer group were: Aeterna Zentaris Inc., Helix Biopharma Corp, IMRIS Inc., Aptose Biosciences Inc. (formerly Lorus Therapeutics Inc.), Nuvo Research Inc., Oncolytics Biotech Inc., Telesta Therapeutics Inc., and TSO₃ Inc.

It was determined that the base salaries for the Named Executive Officers were at the low end of its peer group.

As to performance-based compensation, the Compensation and Corporate Governance Committee recommended that the annual performance bonuses of the Named Executive Officers should remain based on a target and maximum based on the Corporation's capacity to pay (cash flow).

Named Executive Officers

Applicable securities regulations require that the Corporation give details of the compensation paid to the Corporation's "**Named Executive Officers**" who are defined as follows:

- (a) the Chief Executive Officer of the Corporation;
- (b) the Chief Financial Officer of the Corporation;
- (c) each of the three most highly compensated executive officers of the Corporation, or the three mostly highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

Based on the above criteria, the Corporation has determined the Named Executive Officers to be the Chief Executive Officer, the Chief Financial Officer and the Chief Business Officer.

Components of Executive Compensation

The Corporation's executive compensation philosophy is supported by the following four elements of our executive compensation program for the Named Executive Officers:

Fixed components:

1. Base salary
2. Employee benefits program and other perquisites

Variable components:

1. Short-term incentive opportunity
2. Long-term incentive and retention program

Each component of the executive compensation program is defined and discussed below.

Base salary

A competitive base salary serves to attract and retain strong leadership. The base salary for an executive is determined through the evaluation of the responsibilities of the position, the executive's relevant experience, past and current performance, as well as through evaluation of market compensation levels for the role. Individual salaries are adjusted annually based on the individual's competencies and through evaluation of the Corporation's results.

Employee benefits program and other perquisites

The Corporation's employee benefits program includes health, dental, vision, life and disability components and is designed to provide a level of protection to all employees, including executive officers, and their families in the event of death, illness, or disability.

In terms of perquisites, the Corporation's RRSP matching program is open to all employees, including executives, and allows for Corporation matching of up to 5% of the employee's base salary per year. The Corporation also sponsors up to 50% of the cost of fitness memberships for all employees to a maximum of \$300.

Short-term incentive opportunity

The Corporation's short-term incentive program for its employees was created to award significant achievements that positively impact the Corporation's strategy. The bonus program requires the employee to develop and set goals at the beginning of the year that are in line with the Corporation's strategic objectives, including goals relating to the Corporation's research and development programs, business development initiatives, financing, investor relations and human resources. The bonuses are relatively subjective and are calculated based on the extent to which the employee meets their goals, along with the requirement that the Corporation meets a minimum of its objectives. A committee, comprised of the executive officers, will recommend potential candidates for bonuses to the Compensation and Corporate Governance Committee, who will award the employees cash and/or stock option bonuses. The Board will decide the amount, if any, that will be awarded to the executive officers.

Long-term incentive and retention program

Stock option grants are part of the long-term incentive and retention program and serve to motivate and encourage executives and employees to deliver performance that increases the value of the Corporation through growth of the share price over the long term. All stock option grants are approved by the Board through its Compensation and Corporate Governance Committee. The process for issuing stock option grants is in line with the short-term incentive program described above. Previous grants of stock options are taken into account when considering new grants. The Plan provides for the issuance of options to the Corporation's directors and employees (and for the

purposes of the Plan, an “employee” includes a person who provides services to the Corporation). See “Securities Authorized for Issuance Under Equity Compensation Plans” for a summary of the material provisions of the Plan.

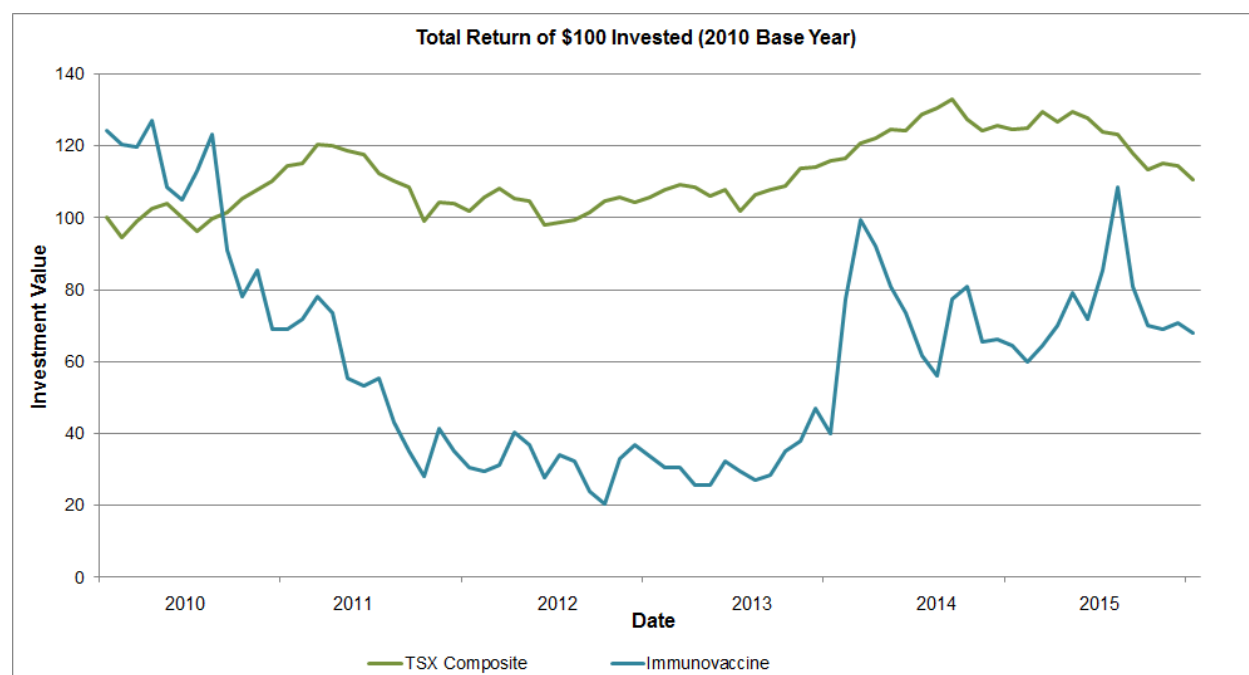
Named Executive Officers or directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director

Option-based awards

Option-based awards are granted in accordance with the terms set out in the above section “Long-term incentive and retention program”.

PERFORMANCE GRAPH

The following compares the yearly percentage change in the cumulative total shareholder return on the Shares of the Corporation over the 5 most recently completed financial years, with the cumulative total return of the S&P/TSX Composite Index during the same period, assuming a \$100 initial investment (and the reinvestment of any dividends).



Executive officer’s compensation is not based primarily on the performance of the Shares and, as such, executive officers’ compensation may not be directly correlated to the performance of the Corporation’s Shares. In addition to market performance, Named Executive Officer’s compensation is based on a number of non-market driven factors.

Although one of the main focuses of the Corporation is to create shareholder value, and the Corporation believes such value has been reflected by an increase in share price in the last years, share price performance alone cannot be taken into account to draw appropriate conclusions with respect to the executive officers’ compensation. Nonetheless, a portion of the Named Executive Officer’s aggregate compensation, as shown on the Summary Compensation Table, is composed of stock options. Accordingly, long-term compensation for the Named Executive Officer’s is dependent on the trading prices for the Shares. Therefore, the actual level of these individuals’ compensation is linked, to a certain degree, to the performance of the Shares.

SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation earned during the three most recently completed financial years ended December 31, 2015, 2014 and 2013, by the Named Executive Officers:

Name and principal position	Financial Period Ended	Salary (\$)	Option based awards (\$) ^{(1) (2)}	Non-equity incentive plan compensation (\$)		All other compensation (\$) ⁽³⁾	Total Compensation (\$)
				Annual incentive plans	Long-term incentive plans		
Marc Mansour ⁽⁴⁾ Chief Executive Officer	Dec 31, 2015	270,077	Nil	55,000	Nil	12,083	337,160
	Dec 31, 2014	250,689	716,000	43,750	Nil	10,000	1,020,439
	Dec 31, 2013	200,000	Nil	36,000	Nil	9,275	245,275
Kimberly Stephens Chief Financial Officer	Dec 31, 2015	185,231	192,500	29,800	Nil	7,750	415,281
	Dec 31, 2014	163,232	135,240	12,075	Nil	6,440	316,987
	Dec 31, 2013	128,800	Nil	23,184	Nil	6,436	135,236
Frederic Ors ⁽⁵⁾ Chief Business Officer	Dec 31, 2015	134,615	185,000	Nil	Nil	Nil	319,615

(1) Options may be exercised as follows: 1/3 each six month period following their grant; or 1/3 immediately and 1/3 one year following their grant and final 1/3 two years following their grant; or all immediately.

(2) The fair value of the stock options granted annually is obtained by multiplying the number of options granted by their value established according to the Black-Scholes model. This value is the same as the fair book value established in accordance with International Financial Reporting Standards and accounting for the following assumptions:

	<u>\$0.66 exercise price grant</u>	<u>\$0.88 exercise price grant</u>
Risk free rate:	3%	3%
Dividend yield:	0%	0%
Volatility:	129%	126%
Expected lifetime:	4.3 years	4.3 years
Fair value per option:	\$0.55	\$0.74

(3) Included in all other compensation is the Corporation's RRSP matching program.

(4) Dr. Mansour announced, on March 15, 2016, his resignation as CEO. His resignation will become effective March 31, 2016.

(5) Mr. Ors joined the Corporation as of April 27, 2015. Effective April 1, 2016, Mr. Ors will become Acting Chief Executive Officer.

Dr. Mansour has a written employment agreement pursuant to which he is entitled to receive an annual salary of \$270,000, effective January 1, 2016, as compensation for his services as Chief Executive Officer of the Corporation. He is also eligible to participate in any short-term incentive compensation plan. The agreement will continue for an indefinite period, except if terminated in the circumstances described under "Termination and Change of Control Benefits" below. Dr. Mansour's employment agreement also provides for, among other things, non-compete and non-solicitation covenants in favour of the Corporation during the term of his employment and during the 12-month period following the date his employment is terminated. Dr. Mansour announced, on March 15, 2016, his resignation as CEO. His resignation will become effective March 31, 2016.

Ms. Stephens has a written employment agreement pursuant to which she is entitled to receive an annual salary of \$192,400, effective January 1, 2016, as compensation for her services as Chief Financial Officer of the Corporation. Ms. Stephens is also eligible to participate in any short-term incentive compensation plan. The agreement will continue for an indefinite period, except if terminated in the circumstances described under "Termination and Change of Control Benefits" below. Mrs. Stephens' employment agreement also provides for, among other things, non-compete and non-solicitation covenants in favour of the Corporation during the term of her employment and during the 12-month period following the date her employment is terminated.

Mr. Ors has a written employment agreement pursuant to which he is entitled to receive an annual salary of \$208,000, effective January 1, 2016, as compensation for his services as Chief Business Officer of the Corporation. Mr. Ors is also eligible to participate in any short-term incentive compensation plan. The agreement will continue for an indefinite period, except if terminated in the circumstances described under "Termination and Change of Control Benefits" below. Mr. Ors' employment agreement also provides for, among other things, non-compete and non-solicitation covenants in favour of the Corporation during the term of his employment and during the 12-month period following the date his employment is terminated. Effective April 1, 2016, Mr. Ors will become Acting Chief Executive Officer.

INCENTIVE PLAN AWARDS

Outstanding Equity Awards

A summary of all outstanding option-based and share-based awards as at December 31, 2015 for the Named Executive Officers is included in the following table.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that were not paid or distributed (\$)	Market or payout value of share-based awards that were not paid out or distributed (\$)
Marc Mansour Chief Executive Officer	22,500	0.67	03/31/2016	1,675	N/A	N/A	Nil
	150,000	0.40	03/09/2017	51,000			
	35,000	1.00	03/31/2017	-			
	40,000	1.00	03/31/2018	-			
	710,000	0.74	01/17/2019	-			
	45,000	1.00	03/31/2019	-			
	400,000	0.71	08/14/2019	-			
Kimberly Stephens Chief Financial Officer	50,000	0.40	03/09/2017	17,000	N/A	N/A	Nil
	239,000	0.74	01/17/2019	-			
	350,000	0.66	02/02/2020	28,000			
Frederic Ors Chief Business Officer	250,000	0.88	04/27/2020	-	N/A	N/A	N/A

(1) The value of the unexercised in-the-money options at the financial year-end is the difference between the closing price of the Shares on December 31, 2015 (\$0.74) on the TSX and the respective exercise prices.

Value vested or earned during the year of incentive plan awards

The table below presents the value vested during the year ended December 31, 2015 of all awards to the Named Executive Officers.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Marc Mansour Chief Executive Officer	68,835	Nil	Nil
Kimberly Stephens Chief Financial Officer	179,096	Nil	Nil
Frederic Ors Chief Business Officer	125,800	Nil	Nil

PENSION PLAN BENEFITS

The Corporation does not have a pension plan benefit. The Corporation's RRSP matching program in favour of its Named Executive Officers is included as all other compensation in the previous summary compensation table.

TERMINATION AND CHANGE OF CONTROL BENEFITS

All of the Named Executive Officers have entered into employment contracts with the Corporation for an undetermined period. In the case of resignation, retirement or termination of employment with cause, every Named Executive Officer contract provides there will be no severance payment made. However, the Named Executive Officers would be entitled to any vacation due.

The actual amounts that a Named Executive Officer would receive upon termination of employment can only be determined at the time of termination and is based on the number of months of base salary at that time. The following table provides the number of months of salary and corresponding value that the Named Executive Officers would have received if the termination had occurred on December 31, 2015:

	Marc Mansour Chief Executive Officer		Kimberly Stephens Chief Financial Officer		Frederic Ors Chief Business Officer	
Event	Number of months	Value (\$)	Number of months	Value (\$)	Number of months	Value (\$)
Termination without cause	12 months salary plus employee benefits for the next 12 months	286,975	6 months salary plus employee benefits for the next 6 months	101,976	6 months salary plus employee benefits for the next 6 months	109,840
Termination with cause	Nil	Nil	Nil	Nil	Nil	Nil
Change of control	12 months salary plus benefits and immediate vesting of all unvested stock options granted	286,975	9 months salary plus benefits and immediate vesting of all unvested stock options granted	152,963	9 months salary plus benefits and immediate vesting of all unvested stock options granted	164,393

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity securities that have been issued and are available for issuance under the Plan as of December 31, 2015:

Plan Category	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 under equity compensation plans
Equity compensation plans approved by securityholders	5,112,382	\$0.66	2,292,544
Total	5,112,382	\$0.66	2,292,544

Stock Option Plan

The following is a summary of the main provisions of the Stock Option Plan.

The maximum number of Shares that can be issued upon the exercise of options granted under the Plan is 9,100,000 Shares. Any Shares subject to an option which has been granted under the Plan that expires or terminates without having been fully exercised may be subject of a further option under the Plan.

The number of Shares issuable to insiders of the Corporation, at any time, pursuant to the Plan and any other security based compensation arrangement (as such term is defined in the Toronto Stock Exchange Company Manual) cannot exceed 10% of the issued and outstanding Shares and the number of Shares issued to insiders of the Corporation, within any one year period, under the Plan and any other security based compensation arrangement cannot exceed 10% of the issued and outstanding Shares.

The Board may grant options to directors, officers, employees, consultants of the Corporation and, if applicable, its subsidiaries and holding companies of such persons.

The exercise price of the options is determined by the Board at the time of the grant of an option, but cannot be lower than the volume weighted average trading price of the Shares on the principal stock exchange on which the Shares are trading for the five trading days immediately preceding the day on which the stock option is granted.

If approved by the Board, in lieu of paying the exercise price in cash for the Shares that may be issued pursuant to the exercise of stock options, a participant may elect to acquire the number of Shares determined by subtracting the exercise price from the volume weighted average trading price of the Shares on the principal stock exchange on which the Shares are trading for the five trading days immediately preceding the day on which the stock option is exercised (the “VWAP”), multiplying the difference by the number of Shares in respect of which the stock option was otherwise being exercised and then dividing that product by such VWAP. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the stock option) will be deemed to be issued under the Plan and all the stock options surrendered will be cancelled.

At the time of grant, the Board, at its discretion, may set a vesting schedule, that is, one or more dates from which an option may be exercised in whole or in part. The maximum period during which an option may be exercised is ten years from the date on which it is granted, however, at its discretion, the Board has the right to set a shorter period of time during which an option is exercisable. If the expiry date of an option should occur during or within 10 business days after the last day of any period during which a policy of the Corporation prevents a holder of options from trading in the Shares or in any other securities of the Corporation or exercising or converting any exercisable or convertible securities of the Corporation, the expiry date for the option will be the last day of such 10 business day period.

All benefits, rights and stock options accruing to any option holder in accordance with the terms and conditions of the Plan shall be non-transferable and non-assignable unless specifically provided in the Plan.

In the event of the death or permanent disability of an option holder, any stock option previously granted to an option holder shall be exercisable until the earlier of (i) the end of its term or (ii) the expiration of 12 months after the date of death or permanent disability of such option holder.

If an option holder ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries (as the case may be) for any reason other than being dismissed from his office or employment for cause, death or permanent disability, their stock options will terminate at 6:00 p.m. (Halifax time) on the earlier of (i) the end of its term or (ii) 90 days after the date such option holder ceases to hold be a director, officer, employee or consultant of the Corporation as the case may be. During this period, an option holder may exercise their stock option to the extent they were entitled to at the date of such cessation. Options that had not vested on the date of such cessation shall be immediately cancelled.

If an option holder ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries (as the case may be) as a result of being dismissed from their office or employment for cause or an option holder's contract as a consultant being terminated before its normal termination date for cause, their options shall immediately be cancelled and may not be exercised as of the termination or dismissal date.

The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares, and in any such event a corresponding adjustment shall be made to the number of Shares deliverable upon the exercise of any stock option granted prior to such event without any change in the total price applicable to the unexercised portion of the stock option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the stock option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the stock options outstanding under this Plan and to prevent any dilution or enlargement of the same.

Notwithstanding any other provision in the Plan, in the event of a proposed Change of Control (as defined in the Plan), the Board may, as deemed necessary or equitable by the Board in its sole discretion and subject to regulatory approvals, as applicable, determine the manner in which all unexercised stock options granted under the Plan will be treated including, for example, accelerating the vesting of the stock options, accelerating the expiry of the term of the stock options and accelerating the time for the fulfillment of any conditions or restrictions on such exercise.

The Board may make the following types of amendments to the Plan without seeking the approval of the shareholders of the Corporation: (i) amendments of a “housekeeping” nature; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto

Stock Exchange); (iii) amendments necessary in order for stock options to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting the administration of the Plan; (v) any amendment to the vesting provisions of the Plan; (vi) amend any term of any outstanding stock option (including, without limitation, the exercise price, vesting and expiry of the stock option), provided that, (A) if the amendments would reduce the exercise price or extend the expiry date of stock options granted to insiders, other than as authorized pursuant to the Plan, approval of the disinterested shareholders of the Corporation must be obtained; and (B) the Board would have had the authority to initially grant the stock option under the terms as so amended; (vii) any amendment to the early termination provisions of the Plan or any stock option, whether or not such stock option is held by an insider of the Corporation, provided such amendment does not entail an extension beyond the original expiry date; (viii) any amendment to the termination provisions of the Plan or any stock option, provided any such amendment does not entail an extension of the expiry date of such stock option beyond its original expiry date; (ix) the addition or modification of a cashless exercise feature, payable in cash or in securities, which provides for a full or partial deduction of the number of underlying Shares from the Plan reserve; (x) amendments necessary to suspend or terminate the Plan; and (xi) any other amendment, whether fundamental or otherwise, not requiring shareholders' approval under applicable laws.

However, the Board may not, without the approval of the shareholders of the Corporation, make amendments to the Plan for any of the following purposes: (i) to increase the maximum number of shares that may be issued pursuant to options granted under the Plan; (ii) to reduce the exercise price or extend the expiry date of options for the benefit of an insider; (iii) to increase the maximum number of shares issuable to insiders under the Plan; or (iv) to amend the provisions of Section 19(c) of the Plan that are described in the above paragraph.

INFORMATION ON THE AUDIT COMMITTEE

Disclosure with respect to the composition of the Corporation's Audit Committee, the Mandate of the Audit Committee and other disclosure required to be made under National Instrument 52-110 – *Audit Committees* is contained in the Corporation's Annual Information Form dated March 20, 2015 filed under the Corporation's profile on the SEDAR website at www.sedar.com.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of March 18, 2016, no executive officer, director, proposed nominee for election as a director or employee, former or present, of the Corporation was indebted to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the Corporation's knowledge and except as stated below or as otherwise specified in this Circular, no material transaction involving the Corporation or any of its subsidiaries has been entered into since the beginning of the Corporation's most recently completed financial year ended December 31, 2015, or are proposed to be entered into, in which any director or executive officer of the Corporation, or any person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Shares or any director or executive officer of such persons or of any subsidiary of the Corporation or any proposed director of the Corporation and each of their associates or affiliates has had or expects to have a direct or indirect material interest.

MANAGEMENT CONTRACTS

Management functions of the Corporation and its subsidiaries are not, to any degree, performed by a person or persons other than the directors or executive officers of the Corporation or its subsidiaries.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to developing, implementing and monitoring good corporate governance practices, and providing full and complete disclosure of its systems of corporate governance. The mandate of the Board is attached as Schedule "A" hereto. The following describes the Corporation's approach to corporate governance.

Board of Directors

The Board is responsible for the supervision of management and for approving the overall direction in a manner which is in the best interests of the Corporation. As a practice, the Board approves significant corporate communications with shareholders. The Board participates fully in assessing and approving strategic plans and prospective decisions proposed by management of the Corporation. To ensure that the principal business risks that are borne by the Corporation are appropriately managed, the Board:

- receives periodic reports from management of its assessment and management of such risks;
- monitors financial and operating performance. This ongoing regular monitoring function often entails review and comment by the Board on various management reports; and
- monitors through the Audit Committee, internal accounting and control procedures and reviews detailed financial information contained in management reports and acts upon the recommendations of the Corporation's auditor.

A number of the Corporation's current directors sit on boards of directors of other reporting issuers. For each such director, the following table lists the name of the reporting issuer on whose board of directors the director currently serves.

Name	Name of Issuer
Wayne Pisano	Oncolytics Biotech Inc.
Bradley Thompson	Aptose Biosciences Inc. Oncolytics Biotech Inc.
Wade Dawe	Fortune Bay Corp. Stockport Exploration Inc. Metallum Resources Inc.

Of the current Board, Messrs. Scardino (Chairman), Dawe, Hall, Pisano, Smithers and Thompson are considered to be "independent directors" within the meaning of the National Instrument 52-110 – Audit Committees ("NI 52-110"). The only director who was not independent during the year ended December 31, 2015 is Dr. Marc Mansour. Dr. Marc Mansour is the Chief Executive Officer of the Corporation. The Board therefore has a majority of independent directors.

Board Functioning

The Board adopted a Corporate Governance Policy which, among other things, sets out those matters, in addition to those required by statute, which must be brought by the Chief Executive Officer or other senior management to the Board for approval. The Corporate Governance Policy ensures that all major strategic decisions, including any change in the strategic direction and acquisitions and/or divestitures of a material nature, will be presented by management to the Board for approval. As part of its ongoing activity, the Board regularly receives and comments upon reports of management as to the performance of the Corporation's business and management's expectations and planned actions in respect thereto.

Independent directors hold an in camera session without the presence of any director who is not independent and without the presence of any management members, at each scheduled Board meeting. During the most recently completed financial year, the independent Board members have held five such meetings.

The attendance record of each director for the Board and committee meetings held from January 1, 2015 to December 31, 2015, is as follows:

Director	Board of Directors	Audit Committee ⁽¹⁾	Compensation and Corporate Governance Committee	Finance Committee
Albert Scardino	11 / 11	-	2 / 4 ⁽²⁾	2 / 2 ⁽²⁾
James W. Hall	11 / 11	5 / 5	-	2 / 2
Wade K. Dawe	11 / 11	-	4 / 4	2 / 2
Wayne Pisano	10 / 11	5 / 5	4 / 4	-
Alfred Smithers	9 / 11	1 / 1	-	2 / 2
Bradley Thompson	9 / 11	3 / 4	4 / 4	-
Marc Mansour	11 / 11	-	-	-

(1) The Audit Committee consisted of James Hall (Chairman), Wayne Pisano and Alfred Smithers until April 16, 2015, when Bradley Thompson replaced Mr. Smithers on the Committee.

(2) Mr. Scardino is a non-voting member.

Board Committees

The Board has an Audit Committee, a Finance Committee and a Compensation and Corporate Governance Committee. Each committee has a formal mandate outlining its responsibilities and its obligations to report its recommendations and decisions to the Board.

The Compensation and Corporate Governance Committee is comprised of independent directors and has been charged by the Board with the responsibility of:

- reviewing and making recommendations to the Board regarding compensation policies and practices. The Compensation and Corporate Governance Committee shall: obtain appropriate information about compensation policies and payments by Canadian companies of a comparable size to the Corporation; establish objectives, evaluate performance, recommend compensation, and develop a process for succession planning; review and approve appointments, promotions, terminations of senior management; and recommend grants of stock options subject to the Board's subsequent ratification;
- proposing to the full Board new nominees to the Board and for assessing directors on an ongoing basis. The Compensation and Corporate Governance Committee evaluates qualifications for proposed new directors. This committee performs the role which might otherwise be served by a nominating committee;
- periodically assessing the performance, effectiveness, and compensation of the Board as a whole and its committees and is responsible for making recommendations to the Board on any proposed changes; and
- considering the implications of risks associated with the Corporation's compensation policies and practice.

The Finance Committee is responsible for assisting the Board with respect to the Corporation's financial policies and strategies, financial risk management practices and financing activities. The Finance Committee assists the Board to monitor and review the financial structure and investment strategies of the Corporation generally and makes recommendations to the Board as appropriate. The Finance Committee also assists the Board in the development of financing, investment and corporate development strategies and provides input on the execution of Board-approved strategies.

The Finance Committee is currently composed of, Mr. Wade Dawe (Chairman), Mr. James Hall and Mr. Alfred Smithers, as well as Mr. Albert Scardino, as a non-voting member. Committees are empowered to engage, or to request that management engage, outside advisors at the Corporation's expense. The Board would consider any such request by an individual member of the Board on its merits at the time it was made.

Orientation and Continuing Education

The Board does not have a formal orientation program for new directors, and does not have any formal continuing education for its members. The Board, however, acquires their education and expertise as a result of professional designations and ongoing obligations to remain current, experience and knowledge gained from serving on other boards of directors, the ability to tap into personal and professional contacts for advice, including from business leaders in various sectors, as well as specific industry players.

Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics (the “**Code**”) applicable to directors, officers and employees. All employees, officers and directors are provided with a copy of the Code and are required to sign an acknowledgement that they have read and agree to comply with the terms of the Code. A copy of the Code may be obtained on SEDAR at www.sedar.com or by request to the Corporate Secretary of the Corporation. The Board satisfies itself regarding compliance with the Code through its review of the activities of the Corporation, discussions by the Audit Committee with the external auditors of the Corporation without management present, and enquiries within management.

Compensation

The Compensation and Corporate Governance Committee is responsible for determining appropriate compensation for executive officers and directors in light of the nature of activities and size of the Corporation, and making recommendations to the Board in that respect, as described above under the heading “Compensation Discussion and Analysis”.

Assessments

The Board, the Board’s committees and the directors will be subject to an annual assessment. Each Director is required to complete a self-evaluation and an evaluation of the performance of the Board, the Board’s committees and their respective chairpersons. These evaluations are then reviewed by the Compensation and Corporate Governance Committee, which will present its recommendations to the Board. The evaluation of the Compensation and Corporate Governance Committee and its Chairperson will be reviewed by the Chairperson of the Board who will present his recommendations to the Board.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted term limits for directors or other mechanisms of board renewal as it believes that the imposition of director term limits or other mechanisms of board renewal on a board implicitly discounts the value of experience and continuity amongst the board members and runs the risk of excluding experienced and potentially valuable board members as a result of arbitrary determination. The Board believes that it can best strike a balance between continuity and fresh perspectives without mandated term limits or other mechanisms of board renewal.

Diversity

The Corporation recognizes and embraces the benefits of having a diverse Board and senior management, and sees increasing diversity at director and executive officer levels as an essential element in maintaining a competitive advantage. The Corporation implemented a formal diversity policy on July 14, 2015.

The Corporation has historically endeavoured to have a diverse Board with a sufficient number of directors to encourage a variety of opinions on matters which come before the Board, while at the same time limiting its membership to a number of directors that facilitates effective and efficient decision making. The Compensation and Corporate Governance Committee believes that having a diverse Board and management team offers a depth of perspective and enhances Board and management operations. The Compensation and Corporate Governance Committee identifies candidates to the Board and management of the Corporation that possess skills with the greatest ability to strengthen the Board and management. The Compensation and Corporate Governance Committee

will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. In particular, in order to promote gender diversity, the Committee will give due consideration for female representation in the director nomination process by searching for, or requesting a search firm to provide, female candidates in the solicitation process.

The Compensation and Corporate Governance Committee will continuously monitor the level of female representation on the Board and in management positions and, where appropriate, recruit qualified female candidates as part of the Corporation's overall recruitment and selection process to fill Board or management positions, as the need arises, through vacancies, growth or otherwise. Where a qualified female candidate can offer the Corporation a unique skill set or perspective (whether by virtue of such candidate's gender or otherwise), the Compensation and Corporate Governance Committee anticipates that it would typically select such a female candidate over a male candidate. Where the Compensation and Corporate Governance Committee believes that a male candidate and a female candidate each offer the Corporation substantially the same skill set and perspective, the Compensation and Corporate Governance Committee anticipates that it will consider numerous other factors beyond gender and the overall level of female representation in deciding which candidate to offer a position to. Due to the size of the Corporation, its activities, and its small number of employees, the Corporation has not yet set measurable objectives for achieving gender diversity. The Corporation will consider establishing measurable objectives as it develops. After March 31, 2016, one out of two (50%) of the executive officers of the Corporation are women, and none (0%) of the directors are women.

RECEIPT OF SHAREHOLDER PROPOSALS FOR 2016 ANNUAL MEETING

Under the *Canada Business Corporations Act*, a registered holder or beneficial owner of Shares that will be entitled to vote at the 2017 annual meeting of shareholders may submit to the Corporation, before December 31, 2016, a proposal in respect of any matter to be raised at such meeting.

ADDITIONAL INFORMATION

Additional information with respect to the Corporation may be found on SEDAR at www.sedar.com and on the Corporation's website at www.imvaccine.com. Copies of the Corporation's financial statements and management discussion and analysis ("MD&A") are available on request from the Secretary of the Corporation or by consulting the SEDAR web site at www.sedar.com. Financial information of the Corporation is provided in its comparative financial statements and MD&A for the Corporation's most recently completed period.

APPROVAL OF THE CIRCULAR

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

Halifax, Nova Scotia, March 18, 2016.

By Order of the Board of Directors

(s) Kimberly Stephens
Ms. Kimberly Stephens
Chief Financial Officer

SCHEDULE “A”
MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

The purpose of this Mandate is to clarify and to define the boundaries between the roles and responsibilities of management and the Board of Directors of the Corporation. The Board does not manage the Corporation; rather it delegates this function to management, and then supervises and evaluates management’s execution of Board approved corporate strategic plan.

2. INTERPRETATION

“Board of Directors” or **“Board”** means the Board of Directors of the Corporation.

“Chairman” means the Chairman of the Board.

“Corporation” means, collectively, Immunovaccine Inc. and its subsidiary, ImmunoVaccine Technologies Inc.

“Financially Literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the consolidated financial statements of the Corporation.

“Independent Director” means a director who has no direct or indirect relationship with the Corporation, which could be reasonably expected to interfere with the exercise of an independent judgment regarding the best interest of the Corporation. Save exceptions, is not an Independent Director the person who:

- a) is or has been within the last three years, an employee or executive officer of the Corporation;
- b) is a member of the immediate family of an individual who is or has been, within the last three years, an executive officer of the Corporation;
- c) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer, a partner or an employee of a material service provider of the Corporation (including the external auditors);
- d) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer of an entity if any of the current executive officers of the Corporation serves or served at the same time on the entity’s Compensation and Corporate Governance Committee;
- e) has a relationship with the Corporation under which he or she may directly or indirectly accept any consulting, advisory or other fees from the Corporation, except for any compensation as a member of the Board of Directors or as a member of a committee of the Board of Directors of the Corporation;
- f) received (or whose immediate family member received) more than \$75,000 in direct compensation from the Corporation (excluding fees as a director) during any 12 month period within the last three years;
- g) is a natural person who controls the Corporation;
- h) is an affiliate of the Corporation; or

- i) is a natural person who is both a director and an employee of the Corporation.

3. PRINCIPAL DUTIES OF THE BOARD

3.1 GENERAL

The Board must be fully informed of the Corporation's affairs, be actively engaged in the development of the Corporation's strategic direction and must supervise how that direction is conducted by management. In doing so, the Board is responsible to appoint a competent executive management team. The Board will oversee and monitor the management of the business of the Corporation.

The Corporation will maximize its wealth and well-being through thoughtful, independent business decisions. Through an appropriate system of corporate governance and financial controls, the Board will ensure fair financial reporting to the public, as well as ethical and legal corporate conduct. To ensure that the decisions and actions of management serve the interests of the Corporation, the Board will carry out its mandate through the following committees of the Board: the Audit Committee, and the Compensation and Corporate Governance Committee. The Board may also appoint other committees from time to time.

3.2 ASSESSMENT OF INTEGRITY OF MANAGEMENT

The Board will satisfy itself as to the integrity of the Chief Executive Officer and senior management of the Corporation through its ongoing monitoring of their performance as well as through the Whistleblower Policy. The Board will satisfy itself that the Chief Executive Officer and senior management create a culture of integrity throughout the organization by overseeing and monitoring management to ensure a culture of integrity is maintained.

3.3 ADOPTION OF A STRATEGIC PLANNING PROCESS

The Board will adopt a strategic planning process and review and approve annually a corporate strategic plan for the operating subsidiary of the Corporation which takes into account, among other things, industry and other trends, research and development and product development strategies, specific problem areas, action plans, and the opportunities and risks of the business. The Board will then also review operating and financial performance results relative to established strategy, budgets and objectives to monitor the progress of the Corporation against the goals addressed in the strategic plan.

3.4 IDENTIFICATION OF PRINCIPAL RISKS AND IMPLEMENTING MANAGING SYSTEMS

The Board will identify and review with management the principal business risks to the Corporation and will ensure that appropriate procedures are implemented to monitor and mitigate those risks. The Board will also ensure that effective systems are in place to monitor the integrity of the Corporation's internal controls and management information systems.

The Board will confirm that management processes are in place to address and comply with applicable corporate, securities and other compliance matters, as well as with applicable laws and regulations. The Board will also confirm and monitor that processes are in place to comply with the Corporation's by-laws and Whistleblower Policy.

3.5 SUCCESSION PLANNING (APPOINTMENT, TRAINING AND MONITORING MANAGEMENT)

The Board delegates authority to the Chief Executive Officer for the overall management of the Corporation. This includes strategy and operations to ensure the Corporation's long term success. To ensure the integrity of the Chief Executive Officer, the Board will:

- a) approve the Compensation and Corporate Governance Committee's position description for the Chief Executive Officer. This position description will delineate management's responsibilities and the corporate goals and objectives that the Chief Executive Officer is responsible for meeting;
- b) assess the performance of the Chief Executive Officer against a set of mutually agreed corporate objectives through a process that includes a comparison of the Chief Executive Officer's performance against the duties outlined in the Chief Executive Officer position description and review of the Chief Executive Officer's performance by the Board and the Compensation and Corporate Governance Committee; and
- c) approve Chief Executive Officer compensation as determined by the Compensation and Corporate Governance Committee, through a process described in its mandate.

In meeting its responsibility for ensuring succession planning, the Board will satisfy itself that management possesses the necessary level of integrity, skill and experience. In doing so, the Board will:

- a) establish boundaries between Board and management responsibilities and establish limits of authority delegated to management. In doing so, the Board will decide how engaged it wants to be in influencing management's decisions and the Corporation's direction. The Chief Executive Officer and the directors will agree amongst themselves which level of Board engagement best fits the Corporation;
- b) appoint Corporate Officers and approve their compensation, based on level and amount of responsibility, as recommended by the Compensation and Corporate Governance Committee;
- c) monitor the performance of the Chief Executive Officer against corporate objectives directed at maximizing the financial value of the Corporation; and
- d) establish a process to adequately provide for Chief Executive Officer succession.

3.6 COMMUNICATIONS POLICY

The Board will confirm that management has established a system for corporate communications to shareholders and the public, including processes for consistent, transparent and timely public disclosure. In doing so, the Board, through its Compensation and Corporate Governance Committee, will:

- a) adopt a communications and disclosure policy relating to, among other matters, the confidentiality of the Corporation's business information and conflicts of interest;
- b) ensure the Corporation maintains the communications systems to effectively communicate with its stakeholders; and
- c) assure themselves that information and reporting systems exist in the Corporation that are reasonably designed to provide timely accurate information sufficient to allow themselves and management to reach informed decisions.

3.7 APPROACH TO CORPORATE GOVERNANCE AND GOVERNANCE GUIDELINES

Transparency, accountability and integrity are not just key elements of good governance, but are fundamental values to the Corporation. To ensure that the Corporation continues to uphold a high standard in governance practices, the Board will:

- a) appoint a Compensation and Corporate Governance Committee composed of directors who meet the criteria for independence contained in applicable laws and stock exchange rules and regulations;

- b) clearly articulate what is expected from a director by developing a position description for directors, the Chairman, the Chief Executive Officer and the chair of each Board committee; and
- c) review and assess the adequacy of the Audit Committee and the Compensation and Corporate Governance Committee mandates on an annual basis.

4. BOARD ORGANIZATION

4.1 AVAILABILITY

The Corporation will only recruit individuals who have sufficient time and energy to devote to the task of being a director.

4.2 QUALIFICATIONS

The Board will determine Board member qualifications. In doing so, the Board will first determine the competencies and skills the Board as a whole is expected to possess. The Board will then determine what competencies and skills existing directors have, to ensure the capabilities and qualities of each director contribute to the Board's role in the Corporation.

4.3 COMPOSITION

The Board will consist of directors who represent cosmopolitan personal experiences and backgrounds, particularly amongst the independent directors. At a minimum, each director shall have demonstrated the highest personal and professional integrity; significant achievement in his or her field; experience and expertise relevant to the Corporation's business; a reputation for sound and mature business judgment; the commitment to devote the necessary time and effort in order to conduct his or her duties effectively; and, where required, be Financially Literate.

4.4 SIZE

The Corporation's articles permit a maximum of 15 directors. To facilitate effective decision-making, the Board believes that the appropriate size of the Board is currently in the range of 6 to 8 directors.

4.5 INDEPENDENT DIRECTORS

The Board will ensure that the Board is composed of a majority of independent directors.

4.6 NOMINATION OF DIRECTORS

Although directors may be nominated to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times. To ensure this, the Board will:

- a) appoint a Compensation and Corporate Governance Committee composed of independent directors; and
- b) confirm a formal process for selecting directors by the Compensation and Corporate Governance Committee.

5. BOARD INDEPENDENCE

To promote the effective functioning of the Board and its committees, the Board will:

- a) establish committees composed of independent directors and approve their respective mandates and the limits of authority delegated to each committee; and
- b) ensure that, at the Corporation's expense, the Board and its committees may retain outside legal and other experts where reasonably required to assist and advise the Board and committees in carrying out their duties and responsibilities.

6. CHAIRMAN

- a) The Chairman shall be an Independent Director;
- b) The Chairman shall oversee that the Board of Directors discharge its responsibilities, ensure that it evaluates the performance of the executive officers of the Corporation objectively and that the Board understands the boundaries between the Board's responsibilities and those of the executive officers of the Corporation;
- c) The Chairman should be able to stand sufficiently back from the day-to-day running of the business of the Corporation to ensure that the Board of Directors is in full control of the affairs of the Corporation and alert to its obligations to the Corporation's shareholders; and
- d) The Chairman, in collaboration with senior management, shall prepare the agenda for Board meetings.

7. EVALUATION

The Board will establish appropriate processes for the regular evaluation of the effectiveness and performance of the Board, the Board's mandate, Board committees, the mandates of each Board committee, individual directors and the position descriptions applicable to each individual director.

8. BOARD COMPENSATION

The Board will review the adequacy and form of directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director. Therefore, the Board will:

- a) appoint a Compensation and Corporate Governance Committee composed entirely of independent directors; and
- b) approve the Compensation and Corporate Governance Committee's process and determination of directors' compensation. This process is outlined in the mandate of the Compensation and Corporate Governance Committee.

9. ETHICAL BUSINESS CONDUCT

To encourage and promote a culture of ethical business conduct in the Corporation, the Board has adopted a Whistleblower Policy for directors, officers and employees, and monitors compliance with that policy.

10. BOARD'S EXPECTATION OF MANAGEMENT

The Board expects management to act in the best interests of the Corporation. To this end, management will uphold the highest standards of ethical behavior and will create a culture of integrity throughout the Corporation. Management is expected to strive to enhance the financial value and the long term sustainability of the Corporation.