



AVIVAGEN INC.

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS  
April 10, 2018**

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting (the “**Meeting**”) of the shareholders of Avivagen Inc. (the “**Corporation**”) will be held on April 10, 2018, 10:00 am (Toronto, Ontario time) at One King West Hotel and Residence, Melinda Gallery, 1 King Street West, Toronto, Ontario, Canada M5H 1A1 for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended October 31, 2017 and the auditors’ report thereon;
2. to elect directors of the Corporation for the ensuing year, as more fully described in the Corporation’s information circular for this Meeting (the “**Circular**”) under the heading “Meeting Matters – Election of Directors”;
3. to appoint PricewaterhouseCoopers (“**PwC**”) as auditors of the Corporation for the ensuing year, and to authorize the board of directors to fix their remuneration, as more fully described in the Circular under the heading “Meeting Matters – Appointment of Auditors”; and
4. to transact such further and other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Corporation is sending proxy-related materials to non-registered shareholders using notice-and-access. Notice-and-access is a set of rules for reducing the volume of materials that must be physically mailed to shareholders by posting the Circular and additional materials online and providing shareholders with a notice stating where such materials are available.

The Circular providing further information relevant to the matters scheduled to come before the Meeting, this Notice, a form of proxy, the audited annual financial statements of the Corporation for the year ended October 31, 2017 and management’s discussion and analysis (the “**MD&A**”) relating to such financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website at <http://www.avivagen.com/investors/>. See the section of the Circular entitled “Meeting Matters” for disclosure regarding each matter or group of related matters identified in this Notice. Shareholders are reminded to review these online materials prior to voting.

Pursuant to the requirements of the *Canada Business Corporations Act*, registered shareholders of the Corporation will receive paper copies of the Circular, this Notice and the form of proxy. Non-registered shareholders who would like to receive paper copies of such materials, or who have questions about notice-and-access, may contact the Corporation at the toll-free number 1-855-210-2355. In order for non-registered shareholders to receive the paper copies of such materials in advance of any deadline for the submission of voting instructions and the date of the Meeting it is recommended to contact the Corporation as soon as possible.

If you are a registered shareholder, a form of proxy is enclosed. A copy of the form of proxy is also available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website at <http://www.avivagen.com/investors/>. If you are a non-registered shareholder, a voting instruction form is enclosed.

Shareholders are requested to complete, sign and return such form of proxy or voting instruction form, as applicable.

For registered shareholders, in order to be represented by proxy at the Meeting, you must complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be received by Computershare Trust Company of Canada, the transfer agent of the Corporation, at Computershare Investor Services, Proxy Department, 9th Floor, 100 University Ave., Toronto, ON M5J 2Y1 not later than 10:00 am (Eastern Time) on April 6, 2018. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

For non-registered shareholders you must complete the enclosed voting instruction form to provide voting instructions to your intermediary. The voting instruction form contains instructions on how to complete the form, where to return it to and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote represented at the Meeting.

By order of the Board of Directors,

(Signed)

G. F. Kym Anthony  
Interim Chief Executive Officer

Ottawa, Ontario  
March 1, 2018



**AVIVAGEN INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 10, 2018**

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**MANAGEMENT SOLICITATION**

This management information circular dated March 1, 2018 (the “**Circular**”), is furnished in connection with the solicitation of proxies by the management of Avivagen Inc. (the “**Corporation**”) for use at the annual general meeting of the shareholders of the Corporation (the “**Meeting**”) to be held on April 10, 2018 at 10:00 am Eastern Time, at One King West Hotel and Residence, Melinda Gallery, 1 King Street West, Toronto, Ontario, Canada M5H 1A1 for the purposes set out in the accompanying notice of meeting (the “**Notice of Meeting**”). This solicitation is made by management of the Corporation. It is expected that the solicitation will primarily be by mail. Proxies may also be solicited personally or by telephone by regular employees of, and by agents engaged by, the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation.

Except as otherwise stated, the information contained herein is given as of March 1, 2018. In this Circular, all references to dollar amounts are to Canadian dollars, unless otherwise specified. All references herein to the Corporation shall include its subsidiary as the context may require.

The board of directors of the Corporation (the “**Board**”) has fixed the close of business on March 1, 2018 as the record date (the “**Record Date**”) for the Meeting. Only holders of common shares of the Corporation (each a “**Shareholder**” and collectively, the “**Shareholders**”) of record as at 5:00 pm (Eastern Time) on the Record Date will be entitled to receive the Notice of Meeting and related documents and to vote at the Meeting or at any adjournment or postponement thereof, but failure to receive such Notice of Meeting does not deprive Shareholders of their right to vote their shares at the Meeting.

The persons named in the enclosed form of proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested.

**REGISTERED SHAREHOLDERS – VOTING BY PROXY**

The persons designated as proxyholders in the enclosed form of proxy for the Meeting are officers of the Corporation.

**A registered holder of common shares of the Corporation (the “Common Shares”) has the right to appoint some other person or company, who need not be the persons designated in the form of proxy or a Shareholder, to represent the Shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting such other persons or company’s name in the blank space provided or by executing another proper form of proxy.**

Completed forms of proxy must be received by Computershare Trust Company of Canada, the transfer agent of the Corporation, at Computershare Investor Services, Proxy Department, 9th Floor, 100 University Ave., Toronto, Ontario, Canada M5J 2Y1 not later than 10:00 am (Eastern Time) on April 6, 2018. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

The form of proxy affords the registered Shareholder an opportunity to specify that the Common Shares registered in his or her name shall be voted for, against or withheld from voting in respect of the matters to come before the Meeting, as applicable.

On any ballot that may be called for, the Common Shares represented by proxy will be voted or withheld from voting in

respect of the matters to come before the Meeting in accordance with the instructions of the Shareholder on such ballot, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In respect of proxies in which the Shareholders have not specified instructions to the proxyholders designated therein to vote for, against or withhold from voting in respect of the matters scheduled to come before the Meeting, the Common Shares represented by such proxies will be voted “for” the matters described in the Notice of Meeting.

Management knows of no matters scheduled to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the Common Shares represented by proxies will be voted on such matters in accordance with the best judgment of the proxyholders designated therein.

A proxy given by a registered Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Any such instrument revoking a proxy must be deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or an adjournment or postponement thereof, or be deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment or postponement thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

#### **NON-REGISTERED HOLDERS – VOTING INSTRUCTION FORM**

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are “non-registered” Shareholders (“**Non-Registered Shareholders**”) because the Common Shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSA’s and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”), the Corporation has distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy (collectively the “**Meeting Materials**”) to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward meeting materials to Non-Registered Shareholders. If you are a Non-Registered Shareholder, your name and address will appear on the voting instruction form sent to you by your Intermediary. A Non-Registered Shareholder may vote or appoint a proxy in accordance with the voting instruction form. Your Intermediary, as registered holder, will submit the vote or proxy appointment to the Corporation on your behalf. You must submit your voting instruction form in accordance with the instructions and within the time limits set by your Intermediary. If you or a person you designate plan to attend the Meeting and vote, you must appoint yourself or that person as proxy using the voting instruction form.

**Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instructions form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instructions form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder’s Common Shares are held and following the instructions of the Intermediary respecting the revocation of voting instructions. In order to ensure that an Intermediary acts upon a revocation of voting instructions, the written notice should be received by the Intermediary well in advance of the Meeting.

These Meeting Materials are being sent to both registered and non-registered owners of Common Shares. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

## **NOTICE-AND-ACCESS**

The Corporation is sending proxy-related materials to Non-Registered Shareholders using notice-and-access. Notice-and-access is a set of rules for reducing the volume of materials that must be physically mailed to Shareholders by posting this Circular and additional materials online and providing Shareholders with a notice stating where such materials are available. Non-Registered Shareholders will still receive the Notice of Meeting, and may choose to receive a paper copy of this Circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the audited annual financial statements of the Corporation for the year ended October 31, 2017 and the MD&A relating to such financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at <http://www.avivagen.com/investors/>. Shareholders are reminded to review these online materials prior to voting.

Pursuant to the requirements of the *Canada Business Corporations Act* ("CBCA"), registered Shareholders of the Corporation will receive paper copies of this Circular, the Notice of Meeting and the form of proxy.

The Corporation does not intend to pay for Intermediaries to forward the Meeting Materials to objecting beneficial owners of Common Shares. Accordingly, objecting beneficial owners will not receive such materials unless the objecting beneficial owner's Intermediary assumes the cost of delivery.

## **AUTHORIZED CAPITAL, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Corporation consists of an unlimited number of Common Shares. The holders of Common Shares are entitled to one vote in respect of each Common Share held at all meetings of the Shareholders of the Corporation. No group or groups of Shareholders have the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares.

According to the Corporation's registrar and transfer agent, 33,219,555 Common Shares were issued and outstanding as of the Record Date. Holders of outstanding Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

Directors and senior officers of the Corporation, as a group, own directly or indirectly, or exercise control or direction over, 1,312,683 Common Shares representing approximately 3.95% of the issued and outstanding Common Shares as of the Record Date.

## **MEETING MATTERS**

### **ELECTION OF DIRECTORS**

Under the articles of amalgamation of the Corporation, the number of directors of the Corporation may range from 3 to 10.

The Board is currently composed of seven directors, namely G. F. Kym Anthony, Dr. Graham Burton, Aubrey Dan, Vanessa Grant, David Hankinson, Jeffrey Kraws, and Paul Mesburis. The term of office of each current director will expire at the close of the Meeting. At the Meeting, Shareholders will be called upon to elect each of the six individuals whose name appears hereunder as a director of the Corporation to serve until the close of the next annual meeting of the Shareholders or until a successor is elected or appointed.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy FOR the election of each of the six nominees listed below as directors of the Corporation.**

- **G. F. Kym Anthony**
- **Dr. Graham Burton**
- **Aubrey Dan**
- **David Hankinson**

- **Jeffrey Kraws**
- **Paul Mesburis**

Each nominee for election to the Board will be elected if approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereon.

***INFORMATION CONCERNING NOMINEES***

The name, present position and office with the Corporation (if applicable), present principal occupation or employment, period of service as a director, and number of Common Shares held by each of the individuals who are nominated for election as directors are set forth in the table that follows.

<b>Name and Residence</b>	<b>Present Position and Offices with the Corporation</b>	<b>Present Principal Occupation or Employment and Principal Occupation or Employment within the 5 preceding years</b>	<b>Director of the Corporation Since</b>	<b>Number of Common Shares Held<sup>(1)</sup></b>
G. F. Kym Anthony Ontario, Canada Not independent <sup>(2)</sup>	Interim Chief Executive Officer  Director  Member, Audit Committee  Member, Corporate Governance and Compensation Committee  Member, Growth Strategy Committee	February 2017 to present – Interim Chief Executive Officer of the Corporation  2007 to present – Chair, Hybrid Partners and Executive Chair, Top Meadow Investments Inc.	April 4, 2014	166,667 <sup>(3)</sup>
Dr. Graham Burton Ontario, Canada Not independent <sup>(2)</sup>	Director  Chief Scientific Officer	April 2017 to present – Chief Scientific Officer of the Corporation  March 2013 to April 2017 – Director of Commercialization Science of the Corporation  August 2005 to March 2013 – President of the Corporation  November 2010 to March 2013 – Managing Director of Research Co-Ordination of the Corporation	August 4, 2005	245,845
Aubrey Dan Ontario, Canada Independent	Director	2015 to January 2018 – Director of CannTrust Holdings Inc.  2014 to present – Director of Porter Aviation Holdings Inc.  2002 to present – President of Dancap Private Equity Inc. Family Investment Office	November 22, 2017	500,000 <sup>(4)</sup>
David Hankinson Nova Scotia, Canada Not independent <sup>(2)</sup>	Director  Member, Audit Committee  Member, Corporate Governance and Compensation Committee	May 2017 to present – Vice Chairman of the Board of Directors of the Corporation  November 2016 to April 2017 – Member of the Board of Directors of the Corporation  March 2013 to October 2016 – Executive Director of the Corporation  October 2010 to March 2013 – Chief Executive Officer of the Corporation	August 4, 2005	12,657

Name and Residence	Present Position and Offices with the Corporation	Present Principal Occupation or Employment and Principal Occupation or Employment within the 5 preceding years	Director of the Corporation Since	Number of Common Shares Held <sup>(1)</sup>
Jeffrey Kraws New York, U.S. Independent <sup>(5)</sup>	Director Member, Audit Committee	August 2016 to present – President of Ra Medical Systems Inc. November 2015 to present – Partner of Grannus Securities Pty Ltd. and Phoenix Holdings October 2014 to present – Registered Representative of Terranova Capital Partners, Inc. December 2013 to present – Director of Saleen Automotive, Inc. May 2012 to present – Independent Non-Executive Chairman of the board of directors of Synthetic Biologics Company February 2012 to present – Partner and Co-Founder of TopHat Capital, LLC 2003 to present – Chief Executive Officer and Co-Founder of Crystal Research Associates and CRA Advisors, LLC	April 11, 2017	Nil
Paul Mesburis Ontario, Canada Independent	Independent Lead Director <sup>(6)</sup> Chair of Audit Committee Member, Corporate Governance and Compensation Committee Member, Growth Strategy Committee	2016 to present – Co-Chair and Independent Director of EESTor Corp. 2012 to present – Managing Principal and Chief Investment Officer of Empyrean Capital 2009 to present – Independent Director of Prometic Life Sciences Inc. 2014 to 2016 – Independent Director of EESTor Inc.	April 5, 2016	22,040

Notes to Table:

- (1) Number of Common Shares of the Corporation known to the Corporation to be beneficially owned, or over which control or direction is exercised, directly or indirectly, by any proposed director and the proposed director's associates or affiliates.
- (2) Mr. Anthony is considered to be not independent while he is acting as Interim Chief Executive Officer, but will once again be considered independent under applicable securities laws upon ceasing to serve in such role. Dr. Burton and David Hankinson are not independent as they are officers of the Corporation.
- (3) Does not include 475,000 Common Shares owned by Carole Anthony, Mr. Anthony's spouse, over which Mr. Anthony does not have voting or dispositive power and in respect of which Mr. Anthony disclaims beneficial ownership.
- (4) 500,000 Common Shares are held by Dancap Private Equity Inc., a corporation controlled by Mr. Dan.
- (5) Crystal Research Associates was previously engaged by the Corporation to prepare an executive information overview and was paid a fee for its work. As the engagement with Crystal Research Associates was completed and terminated prior to the appointment of Mr. Kraws, as a director of the Corporation he is considered independent under applicable securities laws.
- (6) While Mr. Anthony is acting as Interim Chief Executive Officer of the Corporation, Mr. Mesburis will act as the Independent Lead Director of the board of directors.

**APPOINTMENT OF AUDITORS**

At the Meeting, Shareholders of the Corporation will be called upon to appoint PwC to serve as auditors until the close of the next annual meeting of the Shareholders and to authorize the Board to fix the remuneration of the auditors appointed. PwC was first appointed by Shareholders at the annual general and special meeting of shareholders held on April 11, 2017.

Management proposes that PwC be appointed as auditors of the Corporation to hold office until the next annual meeting of Shareholders. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy**

**will vote the Common Shares represented by such form of proxy FOR the appointment of PwC as auditors of the Corporation and the fixing of their remuneration by the Board.**

The appointment of PwC as auditors of the Corporation will be authorized if it is approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereon.

## GENERAL MATTERS

### STATEMENT OF EXECUTIVE COMPENSATION

#### *COMPENSATION DISCUSSION AND ANALYSIS*

This compensation discussion and analysis describes and explains the Corporation's policies and practices with respect to the compensation of its named executive officers, being each of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") (each, an "NEO" and collectively, the "NEOs").

#### Objectives of the Compensation Strategy

The Corporation's executive compensation philosophy is to provide competitive compensation to attract and retain talented staff capable of achieving the Corporation's strategic and performance objectives. The CEO and CFO compensation is fixed. Consistent with this philosophy, the primary objectives of the Corporation's compensation program for its NEOs are:

- to attract and retain talented, high-achieving executives who will contribute to the success of the Corporation and increase of long-term Shareholder value;
- to motivate the executive management team to meet and exceed operating targets and long-term strategic goals; and
- to align the interests of management and the Corporation's Shareholders by emphasizing performance-based compensation that recognizes individual and corporate performance, and which helps increase long-term Shareholder value.

The compensation program seeks to align management interests with Shareholder interests through long-term incentives linking compensation to performance. The long-term incentive may be in the form of stock option grants and/or stock appreciation rights ("SARs") which create a direct correlation between variations in the Corporation's stock price and the compensation of the NEOs.

#### Corporate Governance and Compensation Committee

The Corporate Governance and Compensation Committee is tasked with (i) reviewing and studying compensation and compensation policies for the Corporation; (ii) reviewing the goals and objectives of the CEO at the beginning of each year and providing an appraisal of the CEO's performance for the most recently completed year; and (iii) reviewing the performance of the senior officers of the Corporation including the level of long-term incentives awarded to each. The compensation for all remaining executives is determined in accordance with the terms of their employment agreements, and otherwise by the CEO.

#### Elements of Executive Compensation

Compensation of the Corporation's NEOs for the financial year ended October 31, 2017 included the following components:

- base salary; and
- long-term incentives in the form of stock options granted pursuant to the Corporation's stock option plan (the "**Option Plan**").

The Corporation believes that these elements of compensation, when combined, provide an appropriate mix of conventional and incentive-based compensation. The base salary, on the one hand, provides for a stable income while the incentive compensation under the Option Plan recognizes longer-term contributions and aligns management and Shareholder interests.

In establishing base salaries and granting stock options, the Board considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation. A benchmarking exercise has been undertaken in respect of

compensation of NEOs. See the section of the Circular entitled “*Benchmarking*”. Prior grants of SARs and stock options to the NEOs are considered in granting new options.

### ***BENCHMARKING***

In conducting the annual benchmarking compensation, the Corporate Governance and Compensation Committee benchmarks against the Corporation’s peer group of companies in the Canadian and United States’ life sciences sectors whose operations are similar in terms of revenues and market capitalization with NEOs of similar skills and experience. Avivagen uses these comparisons to assess the competitiveness of the Corporation’s NEO compensation program. The peer group used in assessing NEO compensation for the 2017 fiscal year were as follows:

- ImmunoVaccine, Inc.
- ESSA Pharma, Inc.
- Titan Medical, Inc.
- Trillium Therapeutics, Inc.
- Aeterna Zentaris, Inc.
- Sernova Corp.
- Oncolytics Biotech, Inc.
- ProMIS Neurosciences, Inc.
- Sirona Biochem Corp.
- Aptose Biosciences, Inc.
- Aratana Therapeutics, Inc.
- Kindred Biosciences, Inc.
- Oasmia Pharmaceutical AB
- Nexvet Biopharma Public Limited Company
- ImmuCell Corporation
- Oragenics, Inc.
- Jaguar Animal Health, Inc.
- Genvec, Inc.

### ***OPTION BASED AWARDS***

In establishing levels of stock option grants, the Board considers the executive’s performance, level of expertise, responsibilities and length of services to the Corporation. The Corporation’s Option Plan is described in detail below.

### ***SUMMARY COMPENSATION TABLE***

The following table sets forth all compensation earned by each NEO during each of the Corporation’s three most recently completed financial years.

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(4)(5)(6)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(1)(3)</sup> (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Kym Anthony Interim CEO <sup>(2)</sup>	2017	287,751	-	41,565	-	-	-	-	329,316
	2016	-	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-	-
Cameron Groome <sup>(3)</sup> Former CEO	2017	87,948	-	10,453	-	-	-	303,704	402,105
	2016	228,697	-	26,553	-	-	-	-	255,250
	2015	168,479	-	17,793	-	-	-	-	186,272

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(4)(5)(6)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(1)(3)</sup> (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Chris Boland <sup>(4)</sup> CFO	2017	220,951	-	11,307	-	-	-	-	232,258
	2016	161,605	-	11,156	-	-	-	-	172,761
	2015	143,869	-	9,730	-	-	-	-	153,599

Notes to Table:

- (1) The value of perquisites and other personal benefits, securities or property not described elsewhere in this circular, for each NEO is zero.
- (2) Mr. Anthony was appointed as the Interim CEO on February 9, 2017. Mr. Anthony's annual salary is \$360,000 paid to his consulting corporation pursuant to the consulting agreement dated February 9, 2017 by and between the Corporation and Top Meadow Consulting. Of the \$287,751 in salary paid to Mr. Anthony for the 2017 fiscal year, \$21,967 was paid as compensation for services rendered as a director.
- (3) Mr. Groome was appointed as the CEO and President on March 11, 2013 and stepped down as CEO and President effective February 9, 2017. Mr. Groome's annual salary was \$150,000 plus a \$150,000 bonus, payable quarterly, upon the achievement of certain performance milestones. Mr. Groome was also entitled to a bonus of \$200,000 SARs upon the acquisition of a new technology. Mr. Groome was also granted a severance payment of \$303,704.
- (4) Mr. Boland was appointed as the CFO of the Corporation on July 3, 2012. Mr. Boland is compensated at \$150 per hour and stock options. Mr. Boland is not entitled to SARs or variable bonuses.
- (5) Where applicable, the foregoing table includes options and cash payments made to them in their role as directors of the Corporation, except for Mr. Boland who is not a director of the Corporation.
- (6) Based on the vested and grant date fair value calculated using the Black Scholes model. The Corporation chose the Black Scholes model because it is a commonly used and accepted method of calculating grant date fair value. The assumptions underlying the model included: expected dividend yield of nil, expected volatility of 122% to 155%, risk-free interest rate of 0.65% to 1.75% and expected option life of 5 years.

**INCENTIVE PLAN AWARDS**

Outstanding Option-based and Share-based Awards

The following table sets out all of the options and share-based awards that had been granted to any of the NEOs, and were outstanding, as at October 31, 2017.

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Kym Anthony <sup>(2)</sup>	60,000	\$0.70	May 20, 2019	18,000
	25,000	\$0.65	August 20, 2020	8,750
	30,000	\$0.80	June 22, 2021	6,000
	80,000	\$1.10	May 30, 2022	-
Chris Boland	25,000	\$1.00	March 11, 2018	-
	30,000	\$0.70	May 20, 2019	9,000
	18,000	\$0.65	August 20, 2020	6,300
	15,000	\$0.80	June 22, 2021	3,000
	15,000	\$1.10	May 30, 2022	-
Cameron Groome <sup>(3)</sup>	11,667	\$0.80	February 9, 2018	2,333
	26,042	\$0.65	February 9, 2018	9,115
	51,667	\$0.70	February 9, 2018	15,500
	268,776	\$1.00	February 9, 2018	-

Notes to Table:

- (1) Calculated based on the difference between the market value of the Common Shares underlying the options at the end of the financial year ended October 31, 2017 and the exercise price of such option.
- (2) Mr. Anthony was appointed as the Interim CEO on February 9, 2017.
- (3) Mr. Groome was appointed as the CEO and President on March 11, 2013 and stepped down as CEO and President effective February 9, 2017.

Name	Share-based Awards					
	Number of unexercised share-based awards (#)	Share-based award exercise price (\$)	Share-based award expiration date	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kym Anthony <sup>(1)</sup>	60,000	\$0.70	May 20, 2019	0	0	18,000
Cameron Groome <sup>(2)</sup>	242,424	\$0.825	February 9, 2018	0	0	42,424

Notes to Table:

- (1) Mr. Anthony was appointed as the Interim CEO on February 9, 2017. On May 20, 2014, the Corporation granted 60,000 SARs to Mr. Kym Anthony, in his capacity as a director of the Corporation, with an exercise price of 70 cents. The SARs issued to Mr. Anthony vested over 8 quarters and as at October 31, 2017 are fully exercisable, at the option of Mr. Anthony, at the excess of the current stock price over the exercise price. The SARs are settled in cash or Common Shares of the Corporation, at the option of the Corporation. The SARs are exercisable for a five-year period.
- (2) On March 11, 2013, the Corporation granted 242,424 SARs to Mr. Groome with an exercise price of 82.5 cents. The SARs issued to Mr. Groome vest and are exercisable immediately, at the option of Mr. Groome, at the excess of the current stock price over the exercise price. The SARs are settled in cash or Common Shares of the Corporation, at the option of the Corporation.

Incentive plan awards – value vested or earned during the year

The following table sets out the value of incentives earned by the NEOs or vested in their favour during the financial year ended October 31, 2017.

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 (\$)
Kym Anthony <sup>(1)</sup>	\$41,565	0 <sup>(2)</sup>	-
Cameron Groome <sup>(3)</sup>	\$10,453	0 <sup>(4)</sup>	-
Chris Boland	\$11,307	0	-

Notes to Table:

- (1) Mr. Anthony was appointed as the Interim CEO on February 9, 2017.
- (2) Mr. Anthony was issued 60,000 SARs upon his appointment as the Chairman of the Board of Directors of the Corporation in 2014 in his capacity as director of the Corporation. The SARs are fully vested as at October 31, 2017.
- (3) Mr. Groome was appointed as the CEO and President on March 11, 2013 and stepped down as CEO and President effective February 9, 2017.
- (4) Mr. Groome was issued 242,424 SARs in March 2013. The SARs were fully vested as at October 31, 2017.

***TERMINATION AND CHANGE OF CONTROL BENEFITS***

Chris Boland

Pursuant to an employment agreement dated July 3, 2012, Chris Boland is employed by the Corporation as CFO. As of the date of this Circular, the compensation payable to Mr. Boland under his employment agreement is composed of a base salary in the amount of \$150 per hour. In the event that Mr. Boland is terminated by the Corporation without just cause, the Corporation is required to pay Mr. Boland an amount of pay in lieu of notice equal to one year base salary.

Kym Anthony

Mr. Anthony provides services to the Corporation pursuant to a consultancy agreement between the Corporation and Top Meadow Consulting Services Ltd. dated February 9, 2017 (the “**Consulting Agreement**”). As of the date of this Circular, the Corporation shall pay to Mr. Anthony a monthly fee of \$30,000 plus applicable harmonized sales tax as invoiced through Mr. Anthony’s consulting company. The Consulting Agreement may be terminated by either Mr. Anthony or the Corporation upon giving to the other party thirty days’ written notice, provided the Corporation pays any remaining balance of fees due and payable under the Consulting Agreement at such time.

Cameron Groome

In connection with Mr. Groome's separation from the Corporation on February 9, 2017 he was paid a severance payment by the Corporation in the amount of \$303,704.

Payments on Termination

The following table provides details regarding the estimated incremental payments from the Corporation to each of the NEOs who were employed by the Corporation as at October 31, 2017, assuming termination on October 31, 2017.

Name	Termination benefits
Kym Anthony	\$30,000
Chris Boland	\$220,000

**COMPENSATION OF DIRECTORS**

The Chairman of the Board is paid an annual retainer of \$70,000 and receives an annual issuance of stock options with a fair value of \$54,488. Each independent director is paid an annual retainer of \$35,000 and receives an annual issuance of stock options with a fair value of \$36,974. In addition to their independent director annual retainer, if applicable, the chair of the audit committee of the Board (the "Audit Committee") is paid an annual retainer of \$12,000 and the chair of the Corporate Governance and Compensation Committee is paid an annual retainer of \$10,000. In addition to an independent director annual retainer, if applicable, members of Board committees are paid an annual retainer of \$5,000 on a per-committee basis. While Mr. Anthony is performing the duties of Interim CEO, the Lead Director will receive an additional \$25,000 per year. Currently Mr. Mesburis is acting as Lead Director.

In assessing compensation for directors, the Board considers two primary compensation objectives:

- to align the interests of directors with the interests of Shareholders; and
- to fairly and competitively compensate directors in order to attract well-qualified Board members.

The Board's philosophy is to compensate directors fairly for the time and effort required to fulfill their responsibilities and contribute to the effective leadership and direction of the Corporation.

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors who are not NEOs during the financial year ended October 31, 2017.

Name	Fees earned (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total (\$)
Dr. Graham Burton	-	-	10,656	-	-	120,027	130,683
Vanessa Grant	45,847	-	25,586	-	-	-	71,433
David Hankinson	49,817	-	22,736	-	-	-	72,553
Jeffrey Kraws	21,666	-	23,912	-	-	-	45,578
Paul Mesburis	74,083	-	34,166	-	-	-	108,249

Notes to Table:

- (1) Based on the vested grant date fair value calculated using the Black-Scholes model. The Corporation chose the Black-Scholes model because it is a commonly used and accepted method of calculating grant date fair value. The assumptions underlying the model included: expected dividend yield of nil, expected volatility of 99.89% to 155%, risk-free interest rate of 0.65% to 1.75% and expected option life of 5 years.
- (2) Includes income earned as an employee of the Corporation for Dr. Burton (as Chief Scientific Officer).

Directors - Outstanding Share-based and Option-based Awards

The following table sets out all of the option-based and share-based awards granted to the Corporation's directors who are not NEOs as at October 31, 2017.

	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dr. Graham Burton	150,000	\$1.00	March 11, 2018	-	-	-	-
	10,000	\$0.70	May 20, 2019	3,000	-	-	3,000
	10,000	\$0.65	August 20, 2020	3,500	-	-	3,500
	15,000	\$0.80	June 22, 2021	3,000	5,625	1,125	1,875
	15,000	\$1.10	May 30, 2022	-	13,125	-	-
Vanessa Grant	60,000	\$0.90	May 19, 2020	6,000	-	-	6,000
	20,000	\$0.80	June 22, 2021	4,000	7,500	1,500	2,500
	45,311	\$1.10	May 30, 2022	-	39,647	-	-
David Hankinson	150,000	\$1.00	March 11, 2018	-	-	-	-
	10,000	\$0.70	May 20, 2019	3,000	-	-	3,000
	10,000	\$0.65	August 20, 2020	3,500	-	-	3,500
	15,000	\$0.80	June 22, 2021	3,000	5,625	1,125	1,875
	45,311	\$1.10	May 30, 2022	-	39,647	-	-
Jeffrey Kraws	60,000	\$1.10	May 30, 2022	-	52,500	-	-
Paul Mesburis	60,000	\$0.80	June 22, 2021	12,000	22,500	4,500	7,500
	45,311	\$1.10	May 30, 2022	-	39,647	-	-

Notes to Table:

- (1) Calculated based on the difference between the market value of the Common Shares underlying the options at the end of the financial year ended October 31, 2017 and the exercise price of such option.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table sets out the value of incentives earned by the Corporation's directors who are not NEOs or vested in their favour during the financial year ended October 31, 2017.

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 (\$)
Dr. Graham Burton	10,656	-	-
Vanessa Grant	25,586	-	-
David Hankinson	22,736	-	-
Jeffrey Kraws	23,912	-	-
Paul Mesburis	34,166	-	-

## EQUITY COMPENSATION PLAN INFORMATION

### Stock Appreciation Rights Plan

SARs are issued at the discretion of the Board to provide an incentive to directors and officers of the Corporation in the Corporation's growth and development. SARs are settled in cash or Common Shares at the option of the Corporation in an amount equal to the excess, if any, of the then trading price of the Common Shares over the grant price of SARs. The SARs granted in the financial year ended October 31, 2015 vested over two years at a rate of 1/8 of the grant every three months.

### Option Plan

The Corporation's Option Plan was initially approved by the Shareholders of the Corporation in connection with the formation of the Corporation resulting from the amalgamation of Occell Inc. and Triumph Acquisition Corp., and was most recently amended on September 6, 2016. The purpose of the Option Plan is to develop the interest of and provide an incentive to eligible employees, officers, directors and consultants of the Corporation in the Corporation's growth and development by granting to such eligible employees, officers, directors and consultants, from time to time, options to purchase Common Shares, thereby advancing the interest of the Corporation and its Shareholders. All employees, directors and consultants of the Corporation are eligible to participate in the Option Plan. The extent to which any employee, director or consultant is entitled to be granted options pursuant to the Option Plan shall be determined in the discretion of the Board. Unless otherwise specified by the Board at the time of granting an option, and except as otherwise provided in the Option Plan, each option granted to an employee, director or consultant shall vest and be exercisable as to 1/3 on each of the first three anniversaries of the date of grant, such that the option will become fully exercisable on the third anniversary of the date of grant, and shall remain exercisable to and including the fifth anniversary of the date of grant. The options granted in the financial year ended October 31, 2013 vested immediately, except for (i) the CEO's hiring incentive stock option grant, which vested over one year, (ii) options granted to a consultant, which vested over four months, and (iii) options granted to an additional consultant, which vested in accordance with the terms of the Option Plan. The options granted in the financial year ended October 31, 2014 vested over two years at the rate of 1/8 of the grant every three months, except for options issued to a consultant which vested immediately. The options issued in the financial years ended October 31, 2015 and 2016 vested over two years at the rate of 1/8 of the grant every three months. The options issued in the financial year ended October 31, 2017 vested over two years at a rate of 1/8 of the grant every three months or over three years at a rate of 1/3 of the grant every calendar year.

The following table sets out certain information relating to outstanding options and SARs granted pursuant to the Corporation's equity compensation plans as of October 31, 2017:

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options and rights (a)</b>	<b>Weighted-average exercise price of outstanding options and rights (b)</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) <sup>(1)</sup></b>
Equity compensation plans approved by security holders (Option Plan)	2,275,485	\$0.9272	172,518
Equity compensation plans not approved by security holders (SARs)	302,424	\$0.70	N/A
Total	2,577,909	\$0.9005	172,518

#### Notes to Table:

(1) The Corporation's stock option plan allows for the issuance of up to 2,448,003 options as of October 31, 2017.

## AUDIT COMMITTEE

The Audit Committee is composed of Paul Mesburis, G. F. Kym Anthony, David Hankinson, and Jeffrey Kraws. Mr. Mesburis is Chair of the Audit Committee. All members of the Audit Committee are financially literate (as defined in National Instrument 52-110 *Audit Committees* ("NI 52-110")). Mr. Mesburis is independent within the meaning of NI 52-

110. Mr. Anthony is not considered independent within the meaning of NI 52-110 while he is acting as Interim CEO of the Corporation. Mr. Hankinson is not independent within the meaning of NI 52-110 as he was an employee and executive director of the Corporation within the past three years. Mr. Mesburis is a Chartered Professional Accountant (Ontario), Certified Public Accountant (Illinois) and Chartered Financial Analyst with more than twenty years of international experience in financial and capital markets. Mr. Anthony received his BA from Simon Fraser University and his MBA from the University of Western Ontario. Mr. Anthony had served as Chairman of DFG Investment Advisors since 2007. Mr. Anthony had also served as Executive Chairman of Hybrid Partners, Inc. until 2014. Mr. Hankinson graduated from Dalhousie University as a pharmaceutical chemist (Ph.C.) and has worked in the international pharmaceutical industry for 27 years, with experience at the director level of Eli Lilly and as CEO of the Canadian operations of Solvay S.A. Mr. Kraws holds an MBA and a B.S. degree from the State University of New York – Buffalo and is the CEO and co-founder of Crystal Research Associates LLC. Mr. Kraws is an analyst for pharmaceutical stock performance. His experience includes Senior Pharmaceutical Analyst at Evern Securities, Asea Brown Boveri, Nationsbanc Montgomery Securities, BT Alex Brown & Sons and The Buckingham Research Group Incorporated.

The Audit Committee has a defined mandate and is responsible for reviewing and overseeing the external audit function and reviewing and recommending for approval to the Board all public financial disclosure information such as financial statements, MD&As, annual information forms and prospectuses. The Audit Committee also oversees the independence of the external auditor and pre-approves all permitted non-audit services to be conducted by external auditors.

A copy of the Audit Committee’s charter is attached as Appendix “A”. The Corporation, as a TSX-V issuer, is relying on the exemption in Section 6.1 of NI 52-110, exempting the Corporation from the requirements of Part 3 and Part 5 of NI 52-110.

The aggregate fees billed by the Corporation’s external auditors, NVS for the financial year ended October 31, 2016 and PwC for the financial year ended October 31, 2017, in each of the last two financial years for audit and audit-related fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees</b>	<b>All Other Fees<sup>(3)</sup></b>	<b>Total</b>
October 31, 2017	\$26,000	NIL	NIL	\$31,500	\$57,500
October 31, 2016	\$22,500	\$1,951	NIL	NIL	\$24,451

Notes to Table:

- (1) The aggregate fees billed by the Corporation’s external auditors for professional services rendered for the audit of the consolidated financial statements of the Corporation and its subsidiary.
- (2) The aggregate fees, including expenses reimbursed, billed by the Corporation’s external auditors for services related to the audit of the Corporation’s financial statements.
- (3) On December 15, 2016, the Corporation engaged PwC, the auditors of the Corporation, to provide certain one-time, non-audit related consulting services on various tax structures under consideration in connection with potential transactions which the Corporation may consider in the ensuing year. PwC was not acting in the capacity of the Corporation’s external auditors for such engagement, which was completed in February 2017, prior to the Board’s determination to propose and recommend PwC’s appointment as the Corporation’s auditors for the ensuing year. The aggregate fees billed by PwC for such one-time consulting services was \$31,500.

**INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

As at October 31, 2017, no director, executive officer, senior officer, employee, any proposed nominee for election as a director or any of their associates or former director, executive officer, employee or any of their associates were indebted to the Corporation.

**DIRECTOR AND OFFICER LIABILITY INSURANCE**

The Corporation provides insurance for the benefit of its directors and officers against liability incurred by them in these capacities. The current aggregate policy limit for the Corporation’s insurance policy is \$5,000,000 with deductible amounts of \$25,000 (\$250,000 in the prior financial year) with respect to corporate reimbursement and securities claims payable by the Corporation. The aggregate annual premium paid by the Corporation in the financial year ended October 31, 2017 is \$34,580 for a \$5,000,000 corporate policy held for the benefit of the directors and officers.

**CORPORATE BANKRUPTCIES**

Except as set out below, to the knowledge of the Corporation, none of the individuals proposed for election as directors is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, CEO or CFO of any company that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director,

CEO or CFO or (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

In 2012, G. F. Kym Anthony became the chairman of the Board of Directors of PCAS Health Services (“PCAS”) after its filing for creditor protection under the *Companies’ Creditors Arrangement Act* (“CCAA”). PCAS subsequently successfully completed its restructuring proceedings under the CCAA and is still operating today.

To the knowledge of the Corporation, none of the individuals proposed for election as directors is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that individual was acting in that capacity, or within a year of that individual 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.

To the knowledge of the Corporation, none of the individuals proposed for election as directors has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **CORPORATE GOVERNANCE DISCLOSURE**

### ***INDEPENDENT DIRECTORS***

Four out of the seven current directors on the Board, namely Aubrey Dan, Vanessa Grant, Jeffrey Kraws, and Paul Mesburis are considered independent directors as they do not, in the view of the Board, have a relationship with the Corporation which could be reasonably expected to interfere with the exercise of their independent judgement, nor are they deemed under NI 52-110 to have such a relationship with the Corporation. G. F. Kym Anthony was independent within the meaning of NI 52-110 for the year ended October 31, 2016, but is not considered independent while he is the Interim CEO of the Corporation. While Mr. Anthony is the Interim CEO of the Corporation, Mr. Mesburis will act as the Independent Lead Director of the Board. Dr. Graham Burton is not considered an independent director as he is an employee and officer of the Corporation. David Hankinson is not considered an independent director as he was an employee and executive director of the Corporation within the past three years. At its meetings, each of the Board and Audit Committee has an opportunity to hold an *in-camera* session without the presence of management or non-independent directors.

Assuming six of the proposed directors who are running for election are elected at the Meeting, three of the six directors on the Board, namely Aubrey Dan, Jeffrey Kraws and Paul Mesburis, will be considered independent. Upon appointment of a new CEO, Mr. Anthony will cease to serve as Interim CEO and will once again be considered independent following which four of six directors on the Board will be considered independent.

### ***DIRECTORSHIPS ON OTHER BOARDS***

Except as disclosed below, none of the current members of the Board serves as a director of any other reporting issuer.

Mr. Mesburis currently serves as Independent Director and Chair of the Audit, Risk & Finance Committee of ProMetic Life Sciences, Inc. (TSX). He is also the Co-Chair and Independent Director, and Chair of the Audit Committee of EESStor Corp. (TSX-V).

Mr. Dan currently serves on the Board of Porter Aviation Holdings, Inc.

### ***ORIENTATION AND CONTINUING EDUCATION***

The Board has determined that it is an unnecessary use of resources for the Corporation to formally develop an orientation program for new members at this time. To date, the Corporation has not developed or identified a need to develop a continuing education program for its directors at this time.

### ***ETHICAL BUSINESS CONDUCT***

The Corporation is committed to conducting business in an ethical manner. To that end, the Board has adopted a code of conduct (the “**Ethics Policy**”) which requires all directors, officers, employees and consultants to conduct the business of the Corporation in strict compliance with both the letter and spirit of all applicable laws and in full adherence with the highest standards of business integrity and ethics. The Corporation has no knowledge of any breach of the Ethics Policy.

In addition, the Board has updated its insider trading policy and adopted an internal control policy, delegation of authority policy, ethics policy, health and safety policy, information technology policy, and anti-bribery and anti-corruption policy to provide a framework to foster and encourage a culture of ethical business conduct.

### ***NOMINATION OF DIRECTORS***

The Board has traditionally had a low turnover rate so the Corporation has not adopted formal policies aimed at identifying and recruiting new candidates. When considering new members for the Board, the Corporation’s management and members of the Board consider the skills and experience of the existing directors, identify any gaps while taking into account the Corporation’s strategic direction and changing needs, identify the strengths in a director that would benefit the Board and then seek out individuals from within their networks who may possess such strengths.

### ***COMPENSATION***

Compensation for the directors and the CEO is reviewed and determined by the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee is composed of Vanessa Grant as Chair, and G. F. Kym Anthony (*ex officio*), David Hankinson and Paul Mesburis as its members. While Mr. Anthony serves as Interim CEO, he will not be a member of this Committee but will attend its meetings *ex officio*. Effective November 1, 2016, the Board adopted a formal policy with respect to the compensation of directors as more fully described under the heading “General Matters – Compensation of Directors”. The Corporate Governance and Compensation Committee reviews the compensation of the CEO annually with a view to ensuring compensation levels are commensurate with such role and responsibilities and ensuring alignment with performance.

### ***OTHER BOARD COMMITTEES***

In order to efficiently consider and evaluate potential opportunities and transactions for the Corporation in connection with its next phase of development, the Board established a growth strategy committee (the “**Growth Strategy Committee**”) on February 22, 2017. The Growth Strategy Committee’s mandate is to identify growth opportunities and regulatory strategies for the Corporation. G. F. Kym Anthony, Vanessa Grant and Paul Mesburis are members of the Growth Strategy Committee.

### ***ASSESSMENTS***

In the most recently completed financial year ended October 31, 2017, the Board believes that it and its Committees have performed effectively. The Board has not implemented any formal policy or structure to assess its effectiveness but may do so in the future if it is thought to be in the best interests of the Corporation and its Shareholders.

### **DEADLINE FOR SHAREHOLDER PROPOSALS**

If any person entitled to vote at an annual meeting of the Corporation’s Shareholders wishes to propose any matter for consideration at the next annual meeting, in order for such proposal to be considered for inclusion in the materials mailed to Shareholders in respect of such meeting, such proposal must be received by the Corporation no later than 90 days before the anniversary date of the Notice of Meeting.

Pursuant to the terms of the Corporation’s By-Law No. 2, any Shareholder wishing to nominate an individual for consideration as a director nominee at the Meeting must follow the process set out in By-Law No. 2 and submit a written nomination no fewer than 30 days prior to the date of the Meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Further financial information regarding the Corporation is provided in the Corporation's comparative financial statements and MD&A for the year ended October 31, 2017. Shareholders of the Corporation may visit [www.sedar.com](http://www.sedar.com) or contact Dr. Graham Burton, a director of the Corporation, at the head office of the Corporation at 100 Sussex Drive, Ottawa, Ontario, Canada, K1A 0R6 to request copies of the Corporation's financial statements and related MD&A free of charge.

**APPROVALS AND CERTIFICATION**

The contents, mailing and delivery of this Circular has been approved by the Board of the Corporation.

**DATED AT OTTAWA, ONTARIO**, this 1<sup>st</sup> day of March, 2018.

(Signed)

G. F. Kym Anthony  
Interim Chief Executive Officer

**APPENDIX "A"**  
**TO THE MANAGEMENT INFORMATION CIRCULAR**

**AUDIT COMMITTEE CHARTER**

**1 PURPOSE**

The purpose of the Audit Committee (the **Committee**) of the Board of Directors (the **Board**) of Avivagen Inc. (the **Corporation**) is to:

- (a) assist the Board in fulfilling its responsibility to oversee the Corporation's accounting and financial reporting processes and audits of the Corporation's financial statements;
- (b) review the Corporation's financial reports and other financial information, disclosure controls and procedures and internal accounting and financial controls;
- (c) review the Corporation's financial statements, management's discussion and analysis and annual and interim profit or loss press releases before public release;
- (d) recommend to the Board of Directors the appointment of the external auditors, to be approved by the shareholders, compensation, and retention (and where appropriate, replacement) of the external auditors;
- (e) oversee the work of the external auditor in preparing or issuing an audit report or related work, monitor the independence of the external auditor and pre-approve all auditing services and permitted non-audit services provided by the external auditor;
- (f) receive direct reports from the external auditor and resolve any disagreements between management and the external auditor regarding financial reporting;
- (g) review the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and
- (h) carry out the specific responsibilities set forth below in furtherance of this stated purpose.

**2 COMPOSITION AND TERM**

Committee members shall be appointed by the Board, and shall serve at the pleasure of the Board. Any member of the Committee may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. The Board may designate one member of the Committee as its Chair.

Subject to applicable exemptions available under National Instrument 52-110 *Audit Committees*, as may be amended from time to time (**NI 52-110**), which exemptions include the requirements of a "venture issuer" and the requirements of any stock exchange on which the Corporation's securities are listed and posted for trading:

- (a) the Committee shall be composed of at least three directors; and
- (b) members of the Committee must be:
  - (i) independent; and
  - (ii) financially literate (or become financially literate within a reasonable period of time after his or her appointment to the Committee).

"Independence" shall have the meaning ascribed to such term in NI 52-110. Currently it means that a Committee member has no direct or indirect material relationship with Avivagen, which is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

“Financial literacy” shall have the meaning ascribed to such term in NI 52-110. Currently it means that a Committee member has the ability to read and understand a set of financial statements, including but not limited to the statement of financial position, statement of comprehensive income or loss the statement of shareholders’ equity, the statement of cash flow, notes to the statements in accordance with International Financial Reporting Standards, and 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 Corporation’s financial statements.

### **3 MANDATE AND RESPONSIBILITIES**

The Committee’s role is one of oversight of the integrity of the Corporation’s accounting and financial reporting process, including financial reporting processes, internal controls over financial reporting and disclosure controls procedures. It is recognized that the Corporation’s management is responsible for preparing the financial statements and notes thereto and that the Corporation’s external auditor is ultimately accountable to the Board and the Committee, as representatives of the shareholders and other stakeholders, for providing an audit opinion on the financial statements and notes.

The mandate and responsibilities of the Committee are as follows:

- (a) *Appointment of External auditor.* The Committee shall have direct responsibility for recommending the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of any accounting firm selected to be the Corporation’s external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. Review the performance of the external auditors.
- (b) *Appointment of Chief Financial Officer and Internal Auditor.* The Committee shall participate in the identification of candidates for the positions of Chief Financial Officer and the manager of the Corporation’s internal auditing function, if any, and shall advise management with respect to the decision to hire a particular candidate.
- (c) *Disclosure Controls and Procedures.* The Committee shall review periodically with management the Corporation’s disclosure controls and procedures.
- (d) *Internal Controls.* The Committee shall discuss periodically with management and the external auditor the quality and adequacy of the Corporation’s internal controls and internal auditing procedures, if any, including any significant deficiencies in the design or operation of those controls which could adversely affect the Corporation’s ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation’s internal controls. The Committee shall also discuss with the external auditor how the Corporation’s financial systems and controls compare with industry practices.
- (e) *Accounting Policies.* The Committee shall review periodically with management and the external auditor the quality, as well as acceptability, of the Corporation’s accounting policies, and discuss with the external auditor how the Corporation’s accounting policies compare with those in the industry. Discuss with the external auditors the quality and not just the acceptability of the Corporation’s accounting principles including all critical accounting policies used, any alternate treatment of financial information that have been discussed with management, the ramifications of use of such alternative classifications, recognitions, derecognitions, measurements, presentations and disclosures and treatments and the auditor’s preferred treatment, as well as any other material communications with management.
- (f) *Pre-approval of All Audit Services and Permitted Non-Audit Services.* The Committee shall approve, in advance, all audit services and all permitted non-audit services to be provided to the Corporation by the external auditor; provided that any non-audit services performed pursuant to an exception to the pre-approval requirement permitted by applicable securities regulators shall not be deemed unauthorized and as permitted under the rules of professional conduct of the CPAO
- (g) *Annual Audit.* In connection with the annual audit of the Corporation’s financial statements, the Committee shall:

- (i) request from the external auditor a formal written statement delineating all relationships between the external auditor and the Corporation;
  - (ii) discuss with the external auditor any disclosed relationships and their impact on the external auditor's objectivity and independence, and take appropriate action to oversee the independence of the external auditor;
  - (iii) approve the selection, and the terms of the engagement, of the external auditor;
  - (iv) review with management and the external auditor the audited financial statements to be included in the Corporation's Annual Report filed on the System for Electronic Document Analysis and Retrieval (**SEDAR**) and review and consider with the external auditor the matters required to be discussed under applicable statements of auditing standards;
  - (v) perform the procedures set forth under the heading "*Financial Reporting Procedures*" below with respect to the annual financial statements;
  - (vi) review with the Corporation's counsel, external auditors and management any legal or regulatory matter that could have a significant impact on the Corporation's financial statements;
  - (vii) review and make recommendations with respect to any litigation, claim or contingency that could have a material effect upon the financial position of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee;
  - (viii) review with management and the external auditor the Corporation's critical accounting policies and practices; and
  - (ix) recommend to the Board whether, based on the reviews and discussions referred to above, the annual financial statements should be included in the Corporation's Annual Report filed on SEDAR.
- (h) *Financial Reporting Procedures.* In connection with the Committee's review of each reporting of the Corporation's annual financial information, the Committee shall:
- (i) discuss with the external auditor whether all material correcting adjustments identified (if any) by the external auditor in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board of London, England and adopted by the Canadian Accounting Standards Board, Generally Accepted Auditing Standards of Canada and the rules of the applicable securities regulators, as may be amended from time to time, are reflected in the Corporation's financial statements;
  - (ii) review with the external auditor all material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences (if any);
  - (iii) review with management and the external auditor any significant financial or other arrangements of the Corporation which do not appear on the Corporation's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Corporation's financial statements; and
  - (iv) resolve any disagreements, if any, between management and the external auditor regarding financial reporting.
- (i) Review and make recommendation regarding insurance coverage (annually or as may be otherwise appropriate).

- (j) *Audit Committee Charter.* The Committee shall review and reassess at least annually the adequacy of this Audit Committee Charter and recommend any proposed changes to the Board for approval.

The foregoing responsibilities are set forth as a guide and may be varied and supplemented from time to time as appropriate under the circumstances.

## **4 MEETINGS AND PROCEDURES**

### **4.1 Meetings**

The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Chair of the Committee. The Committee shall meet as many times as it considers necessary to carry out its responsibilities effectively and shall, in any event, meet at least once per quarter.

### **4.2 Quorum**

Unless otherwise determined by the Committee, two or more members of the Committee shall constitute a quorum.

### **4.3 Attendance**

The Committee may invite such officers, directors or employees of the Corporation, external auditors, insurance agents and brokers, financial, technical or legal advisors, or other persons as it sees fit, from time to time, to attend at meetings of the Committee and to assist in the discussion of matters being considered by the Committee.

### **4.4 Chair and Secretary**

The Chair shall preside at all meetings of the Committee. In the absence of the Chair, the Committee shall appoint one of its members to act as chair. The Committee shall also identify a Secretary, who need not be a member of the Committee, to attend and record minutes of the meetings of the Committee.

### **4.5 Decisions**

Decisions of the Committee shall be evidenced by resolutions passed at meetings of the Committee and recorded in the minutes of such meetings or by an instrument in writing signed by all of the members of the Committee.

### **4.6 Minutes**

Minutes of the Committee will be recorded and maintained by the Secretary of the Committee.

### **4.7 Authority to Engage Advisors**

The Committee shall have the authority to engage, at the expense of the Corporation, such outside advisors as it determines necessary or advisable to carry out its duties, including legal, financial, tax, technical and accounting advisors, and establish the compensation of such advisors.

### **4.8 Reporting to the Board**

The Committee shall report to the Board on such matters and questions relating to the mandate and activities of the Committee as the Committee may deem appropriate or as the Board may from time to time request or refer to the Committee.

### **4.9 Complaints**

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this regard, the Committee shall establish and maintain procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. The contact information for the Chair of the Committee is as follows:

Avivagen Inc.  
Attention: Chair of the Audit Committee of the Board  
100 Sussex Drive  
Ottawa, ON K1A 0R6  
Canada

Tel: +1-613-949-8164  
E-mail: [auditchair@avivagen.com](mailto:auditchair@avivagen.com)  
Website: [www.avivagen.com](http://www.avivagen.com)

## **5 RESOURCES AND AUTHORITY**

The Committee is granted all authority required by NI 52-110, including without limitation the authority to:

- (a) investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Corporation;
- (b) engage independent legal, tax, accounting or other advisors to obtain such advice and assistance as the Committee determines necessary to carry out its duties and set and pay the compensation for any advisors so engaged; and
- (c) communicate directly with the external auditors (and internal auditors, if any).

The Committee may request any officer or employee of the Corporation or the Corporation's counsel or other advisors to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

The Corporation shall provide the Committee all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any external auditor, as well as for any ordinary administrative expenses of the Committee that it determines are necessary or appropriate in carrying out its responsibilities.

Effective Date: December 19, 2016

Date of Last Amendment: December 19, 2016