



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JULY 10, 2017**

June 5, 2017

**NOTICE OF THE ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders Tetra Bio-Pharma Inc. (the “**Corporation**”) will be held at the office’s of McMillan LLP located at 45, O’Connor Street, World Exchange Plaza, Suite 2000, Ottawa, Ontario, K1P 1A4, on July 10, 2017, at 2:00 p.m. (Eastern Daylight Time), for the following purposes:

1. to present to the shareholders the annual audited financial statements of the Corporation for the year ended November 30, 2016, as well as the auditors' report thereon;
2. to elect the directors of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation or until their successors shall be appointed or elected;
3. to appoint the auditors of the Corporation, to hold office until the close of the next annual meeting of the shareholders of the Corporation or until a successor is appointed, and to authorize the Board of Directors of the Corporation to fix the auditors’ remuneration;
4. to consider and, if thought fit, to adopt, with or without variation, a majority vote resolution to terminate the 2014, fixed option plan and in its place implement a 10% rolling option plan, the substantial terms of which are set out in the accompanying Management Information Circular, subject to approval by the TSX Venture Exchange; and
5. to transact such other business that may properly come before the meeting.

The record date for determining the shareholders entitled to receive notice and vote at the Meeting is the close of the business (5:00 PM Eastern Daylight Time) on June 13, 2017. Only shareholders whose names have been entered in the register of Tetra shareholders as of the close of business on the Record Date are entitled to receive notice of and vote at the Meeting.

Registered shareholders may attend the meeting in person or may be represented by proxy. Shareholders who are unable to attend the meeting, or any adjournment or postponement thereof, in person, are requested to date, sign and return the accompanying proxy for use at the meeting or any adjournment or postponement thereof. To be effective the form of proxy must be received by Tetra’s transfer agent Computershare Trust Company of Canada at its offices at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1 (according to the instructions on the proxy), not less than 48 hours (other than a Saturday, Sunday or holiday) immediately preceding the date of the meeting (as it may be adjourned or postponed from time to time).

If you are a non-registered holder of common shares and have received these materials through your broker or through another intermediary, please follow the instructions set out in the voting instruction form or other instructions received from the financial intermediary to ensure that your common shares will be voted at the meeting.

Dated this 5 day of June, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(s) “André Rancourt”

André Rancourt, Acting Chief Executive Officer

TETRA BIO-PHARMA INC.

(the "Corporation")

MANAGEMENT PROXY CIRCULAR

(Containing information as at June 5, 2017 unless indicated otherwise)

MANAGEMENT INFORMATION CIRCULAR

In this document, "you" and "your" refer to the shareholder. "We", "us", "our", the "Corporation" and "Tetra" refer to Tetra Bio-Pharma Inc. The information in this document is presented at June 5, 2017, unless otherwise indicated.

This management information circular (the "Circular") is for the annual and special meeting (the "Meeting") of shareholders of Tetra ("Shareholders") to be held July 10, 2017 at 2:00 p.m. (Eastern Daylight Time) at the office of McMillan LLP located at 45, O'Connor Street, World Exchange Plaza, Suite 2000, Ottawa, Ontario, K1P 1A4. Provided you are a Shareholder as of the Record Date (defined below) you have the right to vote the common shares of the Corporation (the "Common Shares") for the appointment of auditors, election of directors, the amendment of the stock option plan of Tetra, and any other items that may properly come before the Meeting or any adjournment of the Meeting.

To help you make an informed decision, please read this Circular and our financial statement and Management's Discussion & Analysis for the year ended November 30, 2016. This Circular gives you valuable information about the Corporation and the matters to be dealt with at the Meeting. Financial information is provided in our comparative annual financial statements and related management discussions and analysis for the financial year ended November 30, 2016. All currency amounts referred to in this Circular are expressed in Canadian dollars, unless stated otherwise.

SOLICITATION OF PROXIES

The management of the Corporation solicits proxies to be used at the Annual and Special Meeting of shareholders (the "Meeting") of the Corporation to be held at the time and place and for the purposes set forth in the attached notice of meeting and at any adjournment thereof. The cost of this solicitation will be borne by the Corporation. Accordingly, the management of the Corporation has drafted this information circular (the "Circular") that it is sending to all the security holders entitled to receive a notice of meeting.

If you cannot attend the Meeting in person, complete and return the enclosed form of proxy following the instructions therein.

QUORUM FOR THE TRANSACTION OF BUSINESS

Pursuant to the by-laws of Tetra, subject to the Canadian Business Corporations Act ("CBCA") in respect of a majority shareholder, a quorum for the transaction of business at any meeting of Shareholders is two persons present in person or representing by proxy, at least 10% of the issued and outstanding Common Shares entitled to vote at the meeting.

RIGHT OF REVOCATION OF PROXIES AND APPOINTMENT OF PROXYHOLDER

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons designated in the form of proxy provided by Tetra to represent the Shareholder at the Meeting. To exercise this right, the Shareholder should strike out the names of management designees in the enclosed form of proxy and insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy.** Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting. In order to be effective, Shareholders must send their proxy to Tetra's registrar and transfer agent, Computershare Trust Company of Canada ("Computershare") at its offices at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1 or by telephone at 1-866-732-8683 (according to the instructions on the proxy), not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting, being July 10, 2017 (subject to any adjournment or postponement). The chair of the Meeting may waive this cut-off at his discretion without notice but proxies will not be accepted by the chair at the Meeting. The proxy shall be in writing and executed by the respective Shareholder or such Shareholder's attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney.

In addition to revocation in any other manner permitted by applicable laws, a Shareholder may revoke a proxy by signing and dating a written notice of revocation and delivering it:

- (a) to the office of Computershare at the address set forth above at any time up to and including the close of business on the last Business Day before the day of the applicable Meeting, or any adjournment or postponement thereof (the notices of revocation will be forwarded to Tetra's registered office); or
- (b) to the chair of the Meeting before the vote is taken.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them.

In the absence of instructions, the agent will exercise the right to vote IN FAVOUR of each question defined on the form of proxy, in the notice of meeting or in the Circular.

Unless otherwise specified herein, all resolutions will be adopted by a simple majority of the votes represented at the Meeting.

Management does not know and cannot foresee at the present time any amendments or new points to be brought before the Meeting, or any adjournment thereof. If such amendments or new points were to be properly brought before the Meeting, or any adjournment thereof, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.

AUTHORIZED CAPITAL STOCK, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital stock of the Corporation consists of an unlimited number of common shares without par value. Each common share entitles its holder to one vote. On the date hereof, there were 114,629,009 common shares of the Corporation issued and outstanding.

The Board of Directors of the Corporation (the “**Board**”) fixed the close of business on June 5, 2017 as the record date (the “**Record Date**”) for determining which shareholders shall be entitled to receive notice of the meeting and to vote in person or by proxy at the Meeting or any adjournment thereof. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten (10) days after the Record Date, an alphabetical list of the shareholders entitled to vote as of the record date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting. The list of shareholders is available for inspection during usual business hours at the management office of the Corporation.

As at the date hereof, to the knowledge of the directors and executive officers of the Corporation, no person holds 10% or more of the issued common shares of the Corporation.

ADVICE TO NON REGISTERED SHAREHOLDERS

The information set forth in this section should be reviewed carefully by the non-registered shareholders. Shareholders who do not hold their shares in their own name (“Beneficial Shareholders”) should note that only proxies deposited by shareholders whose names appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, those shares will, in all likelihood, *not* be registered in the shareholder’s name. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

National Instrument 54-101 of the Canadian Securities Administrators requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (*i.e.*, the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

The vast majority of brokers now delegate responsibility of obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**BFSI**”) in Canada. BFSI typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to BFSI, or otherwise communicate voting instructions to BFSI (by way of the Internet or telephone, for example). BFSI then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a BFSI voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction forms must be returned to BFSI (or instructions respecting the voting of shares must otherwise be communicated to BFSI) well in advance of the Meeting in order to have the

shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact your broker or other intermediary for assistance.

This Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBO’s**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBO’s**”). Subject to the provision of NI 54-101 issuers may request and obtain a list of their NOBO’s from intermediaries via their transfer agents. If you are a Beneficial 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 the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation’s OBO’s can expect to be contacted by BFSI or their brokers or their broker’s agents as set out above.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or his or her broker’s agent), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares as proxyholder for the registered shareholder by entering his or her own name in the blank space on the proxy form provided to him or her by his or her broker (or his or her broker’s agent) and return it to that broker (or that broker’s agent) in accordance with the broker’s instructions (or the agent’s instructions).

All references to shareholders in this Circular, the enclosed form of proxy and the notice of meeting are to the registered shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

- a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year;
- b) each proposed nominee for election as a director of the Corporation; and
- c) each associate or affiliate of any of the foregoing.

MATTERS FOR CONSIDERATION AT THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS

The Corporation’s annual financial statements for the fiscal year ended November 30, 2016 and the auditor’s report thereon will be presented to the Meeting but will not be subject to a vote.

ELECTION OF DIRECTORS

The By-laws of the Corporation provide that the members of the Board are elected annually. Each director holds office until the next annual meeting of shareholders or until his successor is elected or appointed.

The mandates of André Rancourt, André D. Audet, Robert Brouillette, and Benoit Chotard expire at the Meeting on July 10, 2017. Management does not contemplate that any of the nominees will be unable to serve on the Board but, if this should occur for any reason prior to the Meeting, the person named in the enclosed form of proxy reserves the right to vote for another nominee at his discretion unless the shareholder has indicated in the form of proxy his wish to abstain from exercising the voting rights attached to his shares at the time of the election of the directors.

Set out below in tabular form, are the names of all individuals proposed to be nominated by the management of the Corporation as directors together with related information:

Name	Office held	Director since	Number of shares beneficially owned or over which control is exercised	Present occupation
André Rancourt Sherbrooke, QC	Director	September 19, 2016	465,000	CEO of the Corporation
Andre Audet Ottawa, ON	Director	May 23, 2007	7,699,284	Chairman and CEO of Everton Resources Inc. and Majescor Resources Inc.
Robert Brouillette ⁽¹⁾ Montreal, QC	Director	September 19, 2016	0	Lawyer, Engineer, Trade Mark and Patent Agent at Brouillette + Partners
Dr. W.M. (Bill) Cheliak ⁽¹⁾	Director	July 10, 2017	0	CEO of Panag Pharma

(1) Members of the Audit Committee

Each nominee has supplied the information concerning the number of common shares over which he exercises control or direction. Each nominee was elected director of the Corporation at a shareholders' meeting for which an information circular was issued with the exception of Dr. W.M. (Bill) Cheliak who is being appointed as director of the Corporation at this shareholder meeting.

Dr. Cheliak is CEO of Panag Pharma, a Canadian based bio-tech company focused on the development of novel cannabinoid based formulations for the treatment of pain and inflammation. Dr. Cheliak has over 20 years of experience as an entrepreneur having helped establish companies in a wide variety of life science fields, including vaccines, human genetics, oncology, neurology and anti-infective drug development and CRO services. He brings extensive deal making experience with the pharmaceutical industry. He currently serves as a Director for Solarvest (SVS). Dr. Cheliak is Vice Chair of the Government of Canada's Networks Centres Excellence (NCE) Standing Selection Committee and Chair of the NCE Monitoring Committee.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation none of the foregoing nominees for election as a director of the Corporation:

- (a) is, or within the last ten years, has been a director, chief executive officer, or chief financial officer of any company that:

- (i) was the subject of a cease trade, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which, in all cases, was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer, or chief financial officer of such company; 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 of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (c) has, within the last ten years, 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 his assets.

To the knowledge of the Corporation, none of the nominees for election as director 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 security holder in deciding whether to vote for a proposed director.

You can vote for the election of all the candidates described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the candidates described above as director of the Corporation.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

A - COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussions and Analysis

Interpretation

"Named Executive Officer" (“**NEO**”) means each of the following individuals:

- (a) the Chief Executive Officer (“**CEO**”);
- (b) the Chief Financial Officer (“**CFO**”);

- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the 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.

The NEOs who are the subject of this Compensation Discussion and Analysis are: André Rancourt, Chief Executive Officer, Ryan Brown, Former Chief Executive Officer, Guy Chamberland, Chief Scientific Officer, and Sabino Di Paola, Chief Financial Officer.

Compensation Program Objectives

In light of the Corporation's current stage of development, it does not have a formal compensation program. The Board meets to discuss and determine management compensation without reference to formal criteria. The general objective of the Corporation's compensation is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value, (ii) align management's interests with the long-term interests of shareholders, (iii) provide a compensation package that is commensurate with other biotech companies in order to enable the Corporation to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Corporation operates by virtue of the fact that it is a biotech company without a history of earnings.

Purpose of the Compensation Program

The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable and accomplishes the following long-term objectives:

- produce long-term positive results for the Corporation's shareholders;
- align executive compensation with corporate performance; and
- provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

The Board also relies on the experience of its members in assessing compensation levels.

Elements of Compensation Program

The executive compensation program consists of a combination of base cash compensation, bonus and stock option incentives.

Purpose of Each Element of the Executive Compensation Program

The base cash compensation of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

Stock options are generally awarded to NEOs on an annual basis. The granting of stock options upon hire aligns NEOs' rewards with an increase in shareholder value over the long term.

Determination of the Amount of Each Element of the Executive Compensation Program

Intervention of the Board of Directors

The base cash compensation of the NEOs, other than the President/CEO, is reviewed annually by the President/CEO, who makes recommendations to the Board. The Board reviews the recommendations of the President/CEO and approves the base cash compensation of the NEOs based on the recommendations of the President/CEO. The base cash compensation for the President/CEO is reviewed annually by the Board.

Base Cash Compensation

The base cash compensation review of each NEO takes into consideration the current competitive market conditions, experience and the particular skills of the NEO. Base compensation is not evaluated against a formal “peer group”. The Board relies on the general experience of its members in setting base compensation amounts.

Bonuses

The bonus for each individual NEO varies dependent upon the position and is determined by the Board at their sole discretion. No bonus arrangements are currently in place.

Stock Options

The Corporation has established a formal plan (the “**Stock Option Plan**”) under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Stock Option Plan, the number of options granted to such individuals, the date on which each option is granted and the corresponding exercise price. For further information regarding the Stock Option Plan refer to “*Securities Authorized for Issuance Under Equity Compensation Plans*”.

The Board makes these determinations subject to the provisions of the existing Stock Option Plan and, where applicable, the policies of the TSX Venture Exchange (the “**Exchange**”).

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The base cash compensation of each NEO, combined with any bonuses and granting of stock options, has been designed to provide total compensation which the Board believes is competitive. Overall compensation is not evaluated against a formal “peer group”.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Corporation for services in all capacities to the Corporation for the three most recently completed financial year:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
André Rancourt, CEO	2016	-	-	70,711	-	-	-	60,000	130,711
Ryan Brown, Former CEO	2016	-	-	-	-	-	-	60,000	60,000
	2015	60,000	-	9,632	-	-	-	-	69,632
Guy Chamberland, CSO	2016	-	-	70,711	-	-	-	60,000	130,711
Sabino Di Paola, CFO	2016	-	-	-	-	-	-	43,200	43,200
	2015	-	-	4,816	-	-	-	35,400	40,216

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Corporation:

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 have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
André Rancourt	1,250,000	\$0.05	June 15, 2021	275,000	-	-	275,000
Guy Chamberland	1,250,000	\$0.05	June 15, 2021	275,000	-	-	275,000
Ryan Brown	500,000	\$0.05	November 5, 2017	110,000	-	-	110,000
Sabino Di Paola	-	-	-	-	-	-	-

(1) Based on the November 30, 2016 closing price of \$0.27 for the Corporation's common shares on the Exchange.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

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 (\$)
André Rancourt	275,000	-	-
Guy Chamberland	275,000	-	-

Pension Plan Benefits

The Corporation does not have a defined benefits pension plan or a defined contribution pension plan.

Termination and Change of Control Benefits

During the most recently completed financial year there were no employment contracts, agreements, plans, or arrangements for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Corporation, or a change in a NEO's responsibilities.

B - DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Corporation for the most recently completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
André D. Audet	60,000	-	-	-	-	-	60,000
Robert Brouillette	-	-	-	-	-	-	-
Benoit Chotard	-	-	-	-	-	-	-

Share-Based Awards, Options-Based Awards, and Non-Equity Incentive Plan Compensation

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information with respect to all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Corporation:

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 have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
André D. Audet	1,500,000	\$0.05	November 5, 2017	275,000	-	-	275,000
Robert Brouillette	400,000	\$0.18	October 19, 2021	36,000	-	-	36,000
Benoit Chotard	400,000	\$0.18	October 19, 2021	36,000	-	-	36,000

(1) Based on the November 30, 2016 closing price of \$0.27 for the Corporation's common shares on the Exchange.

Incentive Plan Awards—Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning the value vested with respect to option-based awards and share-based awards for the directors of the Corporation during the most recently completed financial year:

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 (\$)
Robert Brouillette	36,000	-	-
Benoit Chotard	36,000	-	-

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at November 30, 2016, the end of the Corporation's financial year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,300,000	0.05	1,507,048
Equity compensation plans not approved by security holders	-	-	-

Stock Option Plan

The Corporation's stock option plan (the "2007 Plan") was adopted by the Board on December 21, 2007 and was amended on November 17, 2011. On July 8, 2013, the 2007 Plan was replaced by the 2013 Stock Option Plan (the "2013 Plan"), December 29, 2014, the plan was amended. Collectively the 2007, 2013, and 2014 Plans are referred to as the "Plans". The Board adopted the Plans in order to advance the interests of the Corporation by providing directors, officers, employees and consultants with a financial

incentive tied to the long-term financial performance of the Corporation and continued service or employment with the Corporation. The prior 2007 Plan was a “rolling plan” while the 2013 and 2014 Plans are “fixed plans”.

Under the 2014 Plan, the Board may grant options to acquire common shares to directors, officers and employees of, and service providers to, the Corporation and its subsidiaries. The maximum number of common shares that can be issued upon the exercise of options granted under the Plan, together with any common shares issued or reserved for issuance under any other share compensation arrangement which is then in place, is equal to a total of 5,807,048.

Amendment to the Plan

On May 8, 2017, the board of directors of the Corporation approved the amendment of the Plan so as to pass from a 10% “fixed” stock option plan to a 10% “rolling” stock option plan. The board of directors believes that the modification of the Plan is necessary taking account the proposed placements and financings of the Corporation and that, consequently, a 10% “rolling” stock option plan would be more appropriate.

The modification of the Plan is subject to the approval of the TSX Venture Exchange and requires approval by a majority of the votes cast by the holders of common shares, either present in person or represented by proxy at the Meeting.

At the Meeting, Shareholders will be asked to consider a resolution to approve amendments to the Stock Option Plan

(i) to change the existing Stock Option Plan from a “fixed” plan to a “rolling” plan, (ii) to approve an aggregate maximum number of Common Shares that may be issued upon the exercise of all options granted under the plan at 10% of the issued and outstanding Common Shares reserved for issuance will be a percentage of the issued and outstanding Common Shares from time to time, and “evergreen” plan, which provides for the replenishment of the number of Common Shares reserved when options are exercised.

At May 8, 2017, upon the approval of the Board of Director’s of the Company the “rolling” plan represented 11,462,900 Common Shares, which include the 5,807,048 Common Shares reserved for outstanding options under the previous “fixed” plan and an additional reserve of 5,655,852 Common Shares reserved for issuance for additional grants, and

(iii) to authorize the Corporation to grant such number of options under the Stock Option Plan that could result in a number of Common Shares issuable pursuant to options granted to (a) related persons exceeding 10% of the Corporation’s issued and outstanding Common Shares (on a non-diluted basis) on the date an option is granted, or (b) any one eligible person (and companies wholly owned by that person) in a twelve month period exceeding 5% of the Corporation’s issued and outstanding Common Shares (on a non-diluted basis) on the date an option is granted change certain limits to the number of Common Shares that can be reserved for issuance for specific grants (the “Amended Stock Option Plan”).

The Corporation, on the recommendation and approval of the Board, is proposing to amend the Stock Option Plan to change the Stock Option Plan to a “rolling” and “evergreen” plan from a “fixed” plan, under which the number of Common Shares available for issuance is a replenishment of the number of Common Shares that may be issued upon the exercise of options granted thereunder.

Under the current terms of the Stock Option Plan and before the implementation of the proposed amendment, as of the Record Date, 3,800,000 Common Shares were issuable in respect of currently outstanding options (representing approximately 3.3% of the issued and outstanding Common Shares), leaving 2,007,048 Common Shares available for issuance under the Stock Option Plan. Further, the Stock Option Plan prescribes various limits to the number of Common Shares that can be reserved for issuance for specific grants made under the Stock Option Plan. These limits include: (a) subject to receipt of disinterested shareholder approval, the aggregate number of Common Shares reserved for issuance under options granted to any one eligible person shall not exceed 5% of the issued and outstanding Common Shares in any twelve month period; (b) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant or an individual engaged in Investor Relations Activities (as such term is defined by the policies of the TSXV) shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period; and (c) subject to receipt of disinterested shareholder approval, the number of Common Shares reserved for issuance under options granted to related persons shall not exceed 10% of the issued and outstanding Common Shares (collectively, the “Existing Limits”).

If the amendment to the Stock Option Plan is approved, 11,462,900 Common Shares will be available for issuance under the Amended Stock Option Plan: (i) 3,800,000 Common Shares reserved for issuance in respect of currently outstanding options granted under the Stock Option Plan (representing approximately 3.3% of the issued and outstanding Common Shares); and (ii) 7,662,900 Common Shares available for issuance in respect of options that may be granted under the Amended Stock Option Plan (representing approximately 6.7% of the issued and outstanding Common Shares). Under the Amended Stock Option Plan, the Existing Limits will be amended and the limits to the number of Common Shares which can be reserved for issuance for grants made under the Amended Stock Option Plan shall be limited to: (a) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant of the Corporation, or any subsidiary of the Corporation, shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period, and (b) the aggregate number of Common Shares reserved for issuance under stock options granted to any one employee of the Corporation or any subsidiary of the Corporation, which is engaged in Investor Relation Activities (as such term is defined in the policies of the TSXV) shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period. A copy of the proposed Amended Stock Option Plan can be obtained by contacting the Corporation’s Corporate Secretary.

The proposed amendments to the Stock Option Plan are necessary for Tetra to be able to continue implementing its compensation plan and provide Tetra with the flexibility to award grants under the Amended Stock Option Plan to achieve appropriate equity incentives.

The Amended Stock Option Plan must be approved by a majority of the votes cast by all Shareholders at the Meeting who are not Insiders to whom stock options may be granted under the Stock Option Plan and their associates (the “Disinterested Shareholders”). As at the Record Date, and based on the information available to the Corporation, holders of 114,629,009 Common Shares are not entitled to vote on the resolution to approve the Amended Stock Option Plan.

Accordingly, Disinterested Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the “Amended Stock Option Plan Resolution”):

RESOLVED THAT:

1. the amended stock option plan (the “Amended Stock Option Plan”) of Tetra Bio-Pharma Inc. (the “Corporation”), as described in the management information circular dated June 5, 2017, is hereby approved, ratified and confirmed.;
2. the board of directors of the Corporation be and is hereby authorized on behalf of the Corporation to make any amendments to the Amended Stock Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the Shareholders of the Corporation, in order to ensure the adoption and efficient function of the Amended Stock Option Plan; and
3. any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Amended Stock Option Plan.

THE BOARD OF DIRECTORS BELIEVES THE PASSING OF THE AMENDED STOCK OPTION PLAN RESOLUTION IS IN THE BEST INTEREST OF THE CORPORATION AND RECOMMENDS THAT SHAREHOLDERS OF THE CORPORATION VOTE IN FAVOUR OF THE AMENDED STOCK OPTION PLAN RESOLUTION.

Directors’ and Officers’ Liability Insurance

The Corporation has entered into a directors’ and officers’ liability insurance policy for the benefit of the directors and officers of the Corporation and its subsidiary. The annual limit for all claims under the policy is \$5 million, subject to a per claim deductible of \$25,000. The annual premium payable by the Corporation under the policy is \$15,660. The Corporation’s current coverage under the policy continues until October 19, 2017.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND OTHERS

During the fiscal year ended November 30, 2016, and as at the date of this Circular, none of the executive officers, directors, employees (or previous executive officers, directors, or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of an executive officer, director or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The management of the Corporation is not aware of any material interest, direct or indirect, that any director, proposed director, officer, shareholder of the Corporation holding, directly or indirectly, as beneficial owner, more than 10% of the outstanding common shares of the Corporation or any associate or affiliate of any such persons would have in any material transaction concluded since the beginning of the last financial year of the Corporation or in any proposed transaction which had or could have a material effect on the Corporation.

MANAGEMENT CONTRACTS

The management functions of the Corporation are substantially performed by directors or senior officers of the Corporation and not to any substantial degree by any other person with whom the Corporation has contracted.

CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 Corporate Governance Guidelines and *National Instrument 58-101 Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

Board of Directors

Directors

The board is currently comprised of 4 directors, 2 of whom are independent. Independence is determined in accordance with National Instrument 52-110 Audit Committees. Mr. Andre Rancourt, and Mr. Andre Audet, are not considered to be independent as a result of their executive officer positions with the Company. The independent directors of the Corporation are Robert Brouillette and Dr. W.M. (Bill) Cheliak.

Chair of the board

Mr. Rancourt, serves as Chair of the Board, and is not considered independent due to his role as the CEO of Tetra. The primary functions of the chair are to facilitate the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under its mandate. The chairs' key responsibilities include duties relating to setting board meeting agendas, chairing board and shareholder meetings, director development, providing in-put on potential director candidates and communicating with shareholders and regulators.

Mandate of the board of directors

The Board is responsible for supervising the management of Tetra's business and affairs. The Board's principal responsibilities relate to the stewardship of management and are summarized below:

- Strategic planning - the Board reviews and approves Tetra's strategic planning process and annual strategic plan in light of Management's assessment of emerging trends, the competitive environment, risk issues and significant business practices and products;
- Risk management - the Board reviews management reports on material risks associated with our businesses and operations, the implementation by Management of systems to manage these risks and material deficiencies in the operation of these systems;

- Financial information- the Board with assistance from the Audit Committee reviews Tetra's internal controls relating to financial information, management reports on material deficiencies relating to those controls and the integrity of Tetra's financial information and systems;
- Communications - the Board reviews Tetra's overall communications strategy, measures for receiving shareholder feedback and compliance with Tetra's disclosure policy;
- Board Committees - the Board establishes committees and their mandates and requires committee chairs to present a report to the board on material matters considered by the committee at the next board meeting;

The mandate of the Board is reviewed and considered by the Board for approval each year.

Directorships

The board has not adopted a policy limiting the number of directors who sit on the board of another public company but believes disclosure of common board memberships is important. The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
André D. Audet	Everton Resources Inc. Majescor Resources Inc.

Orientation and Continuing Education

The Corporation does not currently have a formal orientation program for new directors. The Board has not at this time taken any measures to provide continuing education for the directors. However, the directors of the Corporation are encouraged to attend, at the Corporation's expense, any seminar given by the Exchange or the Canadian Securities Administrators relating to the management of a public company or relating to their responsibilities as a director of a public company. Furthermore, the directors are given access to the Corporation's legal advisors for any questions they may have relating to such responsibilities.

Ethical Business Conduct

The Board does not have a written code of ethics and conduct for the directors and officers. All of the directors are required to act and carry out their duties honestly and in good faith with a view to the best interest of the Corporation. The Corporation requests that all its directors act according to the laws and rules where they are governed. Directors with an interest in a material transaction are required to declare their interest and abstain from voting on such transactions. All Board members have experience in spheres ranging from finance to exploration in order to ensure a culture of ethical business conduct.

Nomination of Directors

The candidates to the Board are recommended by the Chairman and chosen by the Board based on the Corporation's needs.

Compensation

The process of compensation is described in the Section “Compensation of Executive Officers and Directors”.

Other Board Committees

There are currently no committees other than the Audit Committee.

Assessments

To date, no formal evaluation process has been put in place to evaluate the effectiveness of the directors, the descriptions of the positions held or the competence and qualifications that each director is required to bring to the Board. This task is the responsibility of the Board, who punctually reviews its operation as well as its directors’ roles, and its members are encouraged to give feedback regarding the effectiveness of the Board as a whole, its practices and individual directors will, when necessary, make recommendations to the Board.

APPOINTMENT OF AUDITORS AND AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS

Since December 2014, McGovern, Hurley, Cunningham, LLP (“MHC”) have been appointed to act as auditors of the Corporation.

The shareholders of the Corporation are asked to vote for the re-appointment of MHC, as auditors of the Corporation for the financial year ending November 30, 2017 and to authorize the directors to establish their remuneration.

In the absence of instructions to the contrary, the persons designated in the enclosed form of proxy intend to vote **IN FAVOUR** of the appointment of MHC as the auditors of the Corporation to hold office until the next meeting of shareholders, and to vote **IN FAVOUR** of the authorization given to the directors to fix the auditors’ remuneration.

AUDIT COMMITTEE

Charter and Composition of the Audit Committee

The text of the audit committee’s charter is attached hereto as Schedule “A”.

Composition of the Audit Committee

The current members of the Corporation’s audit committee are Robert Brouillette and Dr. W.M. Cheliak. All such members are financially literate and independent members of the audit committee as such terms are defined in *National Instrument 52-110 Audit Committees* (“NI 52-110”) who is non-independent.

Education and Relevant Experience

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

Robert Brouillette

Mr. Brouillette is a lawyer, civil engineer, patent and trade-mark agent. He obtained his engineering degree at the Université de Sherbrooke and his law degree at the Université Laval. He was admitted to the Ordre des ingénieurs du Québec in 1972 and to the Quebec Bar in 1977. He was then appointed trade-mark agent in 1978 and patent agent in 1980.

Dr. W.M. (Bill) Cheliak

Dr. Cheliak is CEO of Panag Pharma, a Canadian based bio-tech company focused on the development of novel cannabinoid based formulations for the treatment of pain and inflammation. Dr. Cheliak has over 20 years of experience as an entrepreneur having helped establish companies in a wide variety of life science fields, including vaccines, human genetics, oncology, neurology and anti-infective drug development and CRO services. He brings extensive deal making experience with the pharmaceutical industry. He currently serves as a Director for Solarvest (SVS). Dr. Cheliak is Vice Chair of the Government of Canada's Networks Centres Excellence (NCE) Standing Selection Committee and Chair of the NCE Monitoring Committee.

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended November 30, 2016 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended November 30, 2016 has the Corporation relied on the exemption provided under section 2.4 of NI 52-110 (*De minimis Nonaudit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

However, the Corporation is not required to comply with Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

Pre-Approval Policies and Procedures

The audit committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the audit committee's charter attached hereto as Schedule A.

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two (2) fiscal years are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
November 30, 2016	26,000	Nil	4,000	Nil
November 30, 2015	6,000	Nil	3,000	Nil

OTHER BUSINESS

Management is not aware of any amendments or variations to matters identified in the notice of meeting or other matters that may properly come before the Meeting, other than those mentioned in said notice.

ADDITIONAL INFORMATION

Additional financial information is provided in the comparative consolidated financial statements of the Corporation and in management's discussion and analysis of the financial condition for the fiscal year ended November 30, 2016. Copies of this circular and the documents mentioned hereinabove are available on SEDAR (www.sedar.com) under the Corporation's profile.

Additional copies are also available by contacting the Corporation at its administrative office:

200-2742 St. Joseph Blvd.
Orleans, ON K1C 1G5
Telephone: (343) 689-0714
Facsimile: (343) 689-0716
Email: Sabino@tetrabiopharma.com

The Corporation may request the payment of reasonable fees if the requesting party is not a shareholder of the Corporation.

APPROVAL OF INFORMATION CIRCULAR

The contents and the sending of the Circular have been approved by the directors of the Corporation.

Ottawa, June 5, 2017

By order of the Board of Directors

(s) "André Rancourt"

André Rancourt

Chief Executive Officer and President

SCHEDULE A

TETRA BIO-PHARMA INC.

CHARTER OF THE AUDIT COMMITTEE

Composition and Independence, Financial Literacy and Authority

The Audit Committee (the “**Committee**”) of Tetra Bio-Pharma Inc. (the “**Corporation**”) shall be composed of members of the Board of Directors (the “**Board**”) in such number as is determined by the Board with regard to applicable laws, rules and regulations and any other relevant consideration, subject to a minimum requirement of three directors.

The majority of the members of the Committee shall not be employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates (as such terms are defined in the policies of the Exchange) and for greater certainty, the Chairman of the Board of Directors shall not be deemed to be an officer of the Corporation for the purpose of this Charter if that is his sole office or position with the Corporation.

The members of the Committee shall be appointed by the Board and shall serve until their successors are duly appointed. A Chair will be appointed by the Board, failing which the members of the Committee may designate a Chair by majority vote. The Committee may from time to time delegate to its Chair certain powers or responsibilities that the Committee itself may have hereunder.

In fulfilling the responsibilities set out in this Charter, the Committee has the authority to conduct any investigation and access any officer, employee or agent of the Corporation appropriate to fulfilling its responsibilities, including the external auditors of the Corporation. The Committee may obtain advice and assistance from outside legal, accounting or other advisors as the Committee deems necessary to carry out its duties and may retain and determine the compensation to be paid by the Corporation for such independent counsel or outside advisor in its sole discretion without seeking Board approval.

Committee members will enhance their familiarity with financial, accounting and other areas relevant to their responsibilities by participating in educational sessions or other opportunities for development.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee should meet with the external auditors and management quarterly to review the Corporation’s financial statements consistent with the section entitled “Financial Reporting” below. The Committee should dedicate a portion of each of its regularly scheduled quarterly meetings to meeting separately with each of the Chief Financial Officer and the external auditors and to meeting on its own without other members of management or the external auditors.

Specific Duties and Responsibilities

Financial Reporting

The Committee shall be responsible for the oversight of reliable, accurate and clear financial reporting to shareholders, including reviewing the Corporation’s annual and interim financial statements and management’s discussion and analysis, prior to approval by the Board and release to the public, and reviewing, as appropriate, releases to the public of significant material non-public financial information of

the Corporation. Such review of the financial reports of the Corporation shall include, where appropriate but at least annually discussion with management and the external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

The Committee shall review earnings press releases and satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure in the Corporation's annual and interim financial statements and MD&A, and must periodically assess the adequacy of those procedures.

Financial Reporting Process

The Committee shall support the Board in its oversight of the financial reporting process of the Corporation including:

- working with management and the external auditors to review the integrity of the Corporation's financial reporting processes;
- reviewing the process relating to and the certifications of the Chief Executive Officer and the Chief Financial Officers on the integrity of the Corporation's quarterly and annual consolidated financial statements;
- considering the key accounting policies of the Corporation and key estimates and judgments of management and discussing such matters with management and/or the external auditors;
- keeping abreast of trends and best practices in financial reporting;
- reviewing with the external auditors and management significant accounting principles and policies and all critical accounting policies and practices used and any significant audit adjustments made;
- considering and approving, if appropriate, major changes to the Corporation's accounting and financial reporting and policies as suggested by the external auditors or management; and
- establishing regular systems of reporting to the Committee by each of management and the external auditors regarding any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information.

The Audit Committee's Role in the Financial Reporting Process

The external auditors are responsible for planning and carrying out, in accordance with professional standards, an audit of the Corporation's annual financial statements and, if approved by the Board, reviews of the Corporation's quarterly financial information. Management of the Corporation is responsible for the preparation, presentation and integrity of the Corporation's financial statements and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. The Audit Committee oversees the financial reporting process at the Corporation and receives quarterly reporting regarding the process undertaken by management and, if applicable, the results of the external auditors' review. It is not the duty of the Audit Committee to plan or conduct

audits, or to determine that the Corporation's financial statements are complete, accurate and in accordance with GAAP.

Internal Controls

The Committee shall monitor the internal controls of the Corporation to ensure the necessary checks and balances are in place, including:

- requiring management to implement and maintain appropriate systems of internal controls in accordance with applicable laws, regulations and guidance;
- meeting with management to assess the adequacy and effectiveness of the Corporation's internal control systems; and
- reviewing reporting by the Corporation to its shareholders regarding internal controls.

Oversight of External Auditors

The Committee shall review and evaluate the performance, qualifications and independence of the external auditors and annually make recommendations to the Board and shareholders regarding the nomination of the external auditors for appointment by the shareholders. The Committee shall also make recommendations regarding remuneration and, if appropriate, termination of the external auditors. The external auditors shall be accountable to the Committee and the entire Board, as representatives of the shareholders, for such external auditors' review of the financial statements and controls of the Corporation. In addition, the Committee shall:

- review the external auditors' annual audit plans and engagement letters;
- review the external auditors' processes for assuring the quality of their audit services including any matters that may affect the audit firms' ability to serve as the external auditor of the Corporation;
- discuss those matters that are required to be communicated by external auditors to the Committee in accordance with the standards established by the Canadian Institute of Chartered Accountants, as such matters are applicable to the Corporation from time to time;
- review with the external auditors any issues that may be brought forward by them, including any audit problems or difficulties, such as restrictions on their audit activities or access to requested information, and management's responses;
- review with the external auditors their concerns, if any, about the quality, not just acceptability, of the Corporation's accounting principles as applied in its financial reporting; and
- provide a forum for management and the external auditors to raise issues regarding their relationship and interaction. To the extent disagreements regarding financial reporting are not resolved, be responsible for the resolution of such disagreements between management and the external auditors.

Independence of External Auditors

The Committee shall oversee and assess the independence of the external auditors through various mechanisms, including:

- reviewing and approving (or recommending to the Board for approval) the audit fees and other significant compensation to be paid to the external auditors and reviewing and pre-approving all non-audit services to be performed by the external auditors;
- receiving from the external auditors, on a periodic basis, a formal written statement delineating all relationships between the external auditors and the Corporation consistent with the rules of professional conduct of the Canadian provincial chartered accountants institutes or other regulatory bodies, as applicable;
- reviewing and discussing with the Board, annually and otherwise as necessary, and the external auditors, any relationships or services between the external auditors and the Corporation or any factors that may impact the objectivity and independence of the external auditors;
- reviewing and approving policies and procedures regarding the employment of partners, employees and former partners and employees of the present or former external auditors of the Corporation as required by applicable laws; and
- reviewing and monitoring other policies put in place to facilitate auditor independence.

Compliance

The Committee shall oversee the establishment and maintenance of processes that ensure the Corporation is in compliance with the laws and regulations that apply to it as well as its own policies, including:

- reviewing with management the Corporation's compliance with applicable regulatory requirements and applicable securities legislation;
- establishing procedures in accordance with regulatory requirements for the receipt, retention and treatment of complaints received by the Corporation on accounting, internal accounting controls or auditing matters, as well as for confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;
- reviewing professional pronouncements and changes to key regulatory requirements relating to accounting rules to the extent it applies to the financial reporting process of the Corporation; and
- reviewing with the Corporation's legal counsel any legal matter arising from litigation, asserted claims or regulatory noncompliance that could have a material impact on the Corporation's financial condition.

General

The Committee shall have the following additional general duties and responsibilities:

- performing such other functions and tasks as may be mandated by regulatory requirements applicable to audit committees or delegated by the Board;

- reviewing and assessing the adequacy of this Charter at least annually and submitting this Charter to the Board for approval upon amendment;
- maintaining minutes or other records of meetings and activities of the Committee; and
- reporting to the Board following each meeting of the Committee