



VALEO PHARMA®

VALEO PHARMA INC.
LISTED ON THE CANADIAN SECURITIES EXCHANGE
UNDER THE SYMBOL "VPH"

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 26, 2019

March 26, 2019

These materials are important and require your immediate attention. They require shareholders of Valeo Pharma Inc. to make important decisions. If you are in doubt as to how to deal with these materials or the matters they describe, please contact your financial, legal, tax or other professional advisors.

VALEO PHARMA INC.

MANAGEMENT INFORMATION CIRCULAR (the "Circular")

SOLICITATION OF PROXIES

This Management Information Circular is being furnished in connection with the solicitation of proxies by and on behalf of the management of Valeo Pharma Inc. (the "Corporation") for use at the Annual General and Special Meeting of shareholders of the Corporation (the "Meeting") and any adjournment(s) or postponement(s) thereof, to be held in Kirkland, Quebec, on April 26, 2019 at 10:30 a.m. EST, for the purposes set forth in the Notice of Meeting accompanying this Management Information Circular. Information contained in this Circular is given as of March 26, 2019 unless otherwise specifically stated.

The solicitation of proxies will be primarily by mail. However, the directors, senior executives and regular employees of the Corporation may also solicit proxies by telephone, electronic means or in person, such persons receiving no compensation. Banks, brokerage houses and other custodians, nominees or fiduciaries will be requested to forward the soliciting material to their principals and to obtain authorization for the execution of proxies. All costs of solicitation by management will be borne by the Corporation.

All references to "shareholders" or "you" in this Circular are to registered shareholders unless specifically stated otherwise.

INFORMATION CONCERNING VOTING AT THE MEETING

Your Vote is Important

As a holder of Class "A" shares ("**Shares**") of the Corporation, it is very important that you read the following information on how to vote your Shares, either by proxy or in person at the Meeting. These materials are being sent to both our registered and non-registered shareholders. Please return your proxy as specified in this Circular and in the form of proxy.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "**Proxy**") are officers and/or directors of the Corporation. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person other than any of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

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

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

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) completing, dating and signing the proxy and returning it to the Corporation's transfer agent, Computershare Trust Corporation of Canada ("Computershare"), by fax within North America at 1-

866- 249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;

- (b) using a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) using the internet through the website of the Corporation's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

Beneficial Shareholders

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

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

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

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Shares are voted at the Meeting.

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

Notice to United States Shareholders

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada and is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the U.S. should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Shares by U.S. Shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for U.S. companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Shareholders who are resident in, or citizens of, the U.S. may not be described fully in this Circular.

The enforcement by the Shareholders of civil liabilities under the U.S. federal securities laws may be affected adversely by the fact that the Corporation is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Corporation are located outside the U.S.

REVOCATION OF PROXIES

A shareholder may revoke a proxy:

- (a) by depositing an instrument in writing executed by the shareholder or by an attorney authorized in writing,
 - (i) 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 any adjournment thereof, at which the proxy is to be used, or
 - (ii) with the chair of the Meeting on the day of the Meeting or an adjournment thereof; or
- (b) in any other manner permitted by law.

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

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

RECORD DATE

Shareholders registered as at March 22, 2019 (the "**Record Date**"), are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must deliver their proxies at the place and within the time set forth in the Meeting Materials, in order to entitle the person appointed by the proxy to attend in vote.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of March 26, 2019 there are 48,470,166 Class "A" shares ("**Shares**") of the Corporation issued and outstanding. These Shares were issued without par value. The Shares are the only shares carrying the right to vote and the holders thereof are entitled to one vote per Share. The record date to determine the shareholders entitled to receive the Notice of Meeting and to vote at the meeting is March 22, 2019 (the "**Record Date**").

In accordance with the provisions of the *Canada Business Corporations Act*, the Corporation will prepare a list of holders of Shares on the Record Date. Each holder of Shares named in the list will be entitled to vote the shares shown opposite his or her name on the list at the Meeting, except to the extent that:

- (a) the shareholder has transferred any of his or her Shares after the Record Date; and
- (b) the transferee of those Shares produces properly endorsed certificates evidencing the share transfer or otherwise establishes that he or she owns such Shares and demands, not later than the time at which the Meeting commences, that his or her name be included on the list, in which case the transferee is entitled to vote his or her Shares at the Meeting.

To the knowledge of the Management of the Corporation, the only persons who exercises control over 10% or more of the Shares of the Corporation as at March 26, 2019, are the following:

Name	Number of Shares Held	Percentage of Total Issued and Outstanding Shares
Manitex Capital Inc. ⁽¹⁾	20,166,288	41.6%
100079 Canada Inc. ⁽²⁾	7,568,761	15.6%

(1) Mr. Steve Saviuk, the Chief Executive Officer of the Corporation, is the President and a significant shareholder of Manitex Capital Inc.

(2) 100079 Canada Inc. is a company controlled by Mr. Richard Mackay.

PRESENTATION OF FINANCIAL STATEMENTS

The audited annual financial statements of the Corporation for the fiscal year ended October 31, 2018 together with the auditors' report thereon, will be placed before the Meeting. The annual financial statements of the Corporation were mailed to shareholders who requested to receive them and are also available on SEDAR at www.sedar.com. Additional copies of the audited annual financial statements for the fiscal year ended October 31, 2018 may be obtained from the Corporation upon request and will be available at the Meeting. **Shareholder approval is not required in relation to the financial statements.**

ELECTION OF DIRECTORS

Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote for the election of five (5) nominees whose names are set forth in the table below. The five (5) nominees are currently members of the Board of Directors and have been since the dates indicated. If, prior to the Meeting, any of the proposed nominees whose names are set out below should for some reason become unable or unwilling to serve as director, it is intended that the persons named in the accompanying form of proxy shall be entitled to vote for any other nominees at their discretion. Management is not aware that any of the nominees will be unwilling or unable to serve as a director.

Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed. The following table and the notes thereto state the names of all persons proposed to be nominated for election as directors, other positions and offices with the Corporation, their principal occupations or employments, their periods of service as directors of the Corporation and the approximate number of Shares of the Corporation beneficially owned or controlled by each of them as of March 26, 2019.

In the absence of instructions to the contrary, the persons named in the enclosed proxy form will vote the Shares represented thereby FOR the election of the five (5) nominees of management listed in the following table.

Information Concerning Management's Nominees for Directorship

Name, Province and Country of Residence	Director of the Corporation since	Principal Occupation During the Past Five Years	Number of Shares and Percentage of Shares Beneficially Owned, or Controlled or Directed Directly or Indirectly ⁽¹⁾
Steve Saviuk ⁽²⁾ Beaconsfield, Qc, Canada	2003	President and Chief Executive Officer of Valeo Pharma Inc. President and Chief Executive Officer of Manitex Capital Inc.	24,496,178 ⁽³⁾ (50.5%)
Richard J. Mackay (Chairman) Montreal, Qc, Canada	2018	Chairman of the Advisory Board of Valeo Pharma Member of the Advisory Board at Health Edge Investment Partners	7,568,761 ⁽⁴⁾ (15.6%)

Name, Province and Country of Residence	Director of the Corporation since	Principal Occupation During the Past Five Years	Number of Shares and Percentage of Shares Beneficially Owned, or Controlled or Directed Directly or Indirectly⁽¹⁾
Vincent P. Hogue⁽²⁾ Beaconsfield, Qc, Canada	2018	Vice-President Brokerage and Private Management for the Desjardins Group Executive Vice-President and Head of Personal Services with Desjardins Securities	252,406 (0.5%)
Michael G. Wells⁽²⁾ Skillman, NJ, USA	2018	Managing Director of Princeton Biopharma Capital Partners	Nil
Maureen C. Brennan Montreal, Qc, Canada	2018	Consultant for the private and public health sectors	Nil

(1) The Corporation has no direct information concerning the number of Shares beneficially owned by the nominees or concerning the number of Shares over which such persons exercise control or discretion. The information was provided to us by the nominees individually.

(2) Member of the Audit Committee.

(3) Mr. Saviuk holds Shares through Manitek Capital Inc. (20,166,288 Shares) and Simcor Canada Holdings Inc. (4,214,145 Shares), companies he controls or over which he has effective control.

(4) Mr. Mackay holds his Shares through 100079 Canada Inc., a company he controls.

The following are brief biographies of each of the nominees for Director:

Steve Saviuk, Director and Chief Executive Officer, (60 years old)

Mr. Saviuk started his career in accounting at KPMG. He quickly moved to venture capital investing through Manitek Capital Inc., a TSXV-listed company he co-founded over 30 years ago, and which still actively invests in emerging companies with a focus on the life science, renewable energy and sustainable resource sectors. Mr. Saviuk is President and CEO of Manitek Capital Inc.

Mr. Saviuk co-founded Valeo Pharma in 2003 and has since served as its President and CEO. Mr. Saviuk transformed Valeo Pharma from its early years as an in-licensor of established brands to a fast growing full service Canadian pharmaceutical company and was also instrumental in the sale of certain assets to Valeant Canada. In addition to Mr. Saviuk's executive management experience, he is well acquainted with key corporate governance issues having served on numerous boards of both public and private companies.

Mr. Saviuk hold a degree in Business (B.Comm) from Concordia University (Montreal, Qc).

Richard J. Mackay, Director and Chairman of the Board (83 years old)

Mr. MacKay has been the Chairman of the Advisory Board of Valeo Pharma Inc. since 2009. He also serves as a Member of Advisory Board at Health Edge Investment Partners. In 2009, Mr. Mackay retired from a distinguished career with Stiefel Laboratories that spanned several decades. During his tenure at Stiefel Laboratories, Mr. MacKay held various leadership positions of increasing responsibility, including, Senior Vice-President, Marketing and Sales North America, Vice President International (Japan and Korea), and most notably as President and CEO of Stiefel Canada from 1976 through 2009. Mr. Mackay also served as Vice Chairman of the Board of Directors of Stiefel Laboratories from 2007-2009.

Prior to Stiefel, Mr. MacKay served as EVP and Director of ICN Canada Limited, VP and Director of Winley-Morris Company Limited and started his career as a sales representative with Parke-Davis Company Limited.

Mr. MacKay was a member of the Board of Labopharm Inc. and served as interim Chairman of the Board for a period of 2 years. He served as Chairman of the Board of the Pharmaceutical Manufacturers Association of Canada (PMAC). Throughout his career, Mr. MacKay has been active in many organizations including member of the Board of Directors of the Canadian Dermatology Foundation, where he served for over 20 years. In 2003, Mr. Mackay was given the first ever Award of Honour by the Canadian Dermatology Association for his service to the people of Canada in raising the standards of health care.

Mr. MacKay is a graduate of Sir George Williams University and earned advanced business diplomas from Harvard University, Dartmouth College and the École des Hautes Études Commerciales (Université de Montréal).

Vincent P. Hogue, Director (56 years old)

Mr. Hogue holds a Master's Degree in Industrial Relations and has worked in the securities industry for over 30 years. Until recently, Mr. Hogue worked as Vice-President Brokerage and Private Management for the Desjardins Group and acted as Executive Vice-President and Head of Personal Services with Desjardins Securities, responsible for leading both the discount and full service brokerage businesses.

In addition, as Chairman of the Board of Directors of Desjardins Investment Management, Mr. Hogue was responsible for business development and strategies for the Desjardins Private Wealth Management team including the private banking business.

From 2006 to 2012, he was Senior Vice President, and Regional Manager, Eastern Canada at TD Waterhouse Private Investment Advice. Between 1993 and 2004, he held several management and sales positions at Fidelity Investments Canada Ltd.

Mr. Hogue has been on the Board of Directors of QTrade from 2013 to 2018 and on the Board of the Quebec Chapter of the Investment Industry Regulatory Organization of Canada (IIROC) from 2011 to April 2018.

Michael G. Wells, Director (50 years old)

Michael Wells is an entrepreneur, investor and philanthropist among other things. He is currently the founding Managing Director of Princeton Biopharma Capital Partners, a firm he created in 2010 for the purpose of providing growth capital to pharmaceutical and medical device companies. Prior to creating this company, he was the founder and CEO of Aton Pharma, a specialty pharmaceutical company focused on rare diseases. For his part in creating and growing this company he was named an Ernst & Young Entrepreneur of the Year in 2009 and in 2010 the company was acquired by Valeant Pharmaceuticals for \$330 million. His career began at Merck & Co. where he held a range of sales and marketing positions over eight years. In addition to Valeo Pharma, Mr. Wells serves on the boards of Covis Pharma Sarl, Fidelis Pharmaceuticals and is a trustee at the University of Pittsburgh.

Mr. Wells holds Bachelor of Science and a Master of Science from the University of Pittsburgh and an MBA from The Wharton School at the University of Pennsylvania.

Maureen C. Brennan, Director (63 years old)

Throughout her career spanning over 40 years, Ms. Brennan has held several leadership and executive positions in the private and public health sectors. Since 2006, Ms. Brennan acts as a private consultant for various health sector organizations and also performs volunteer work in this field. From 2002 to 2006, Ms. Brennan was Director General at the Shriners Hospital. Prior to her position Shriners, she was Director General at the Griffith McConnel residence for seniors from 1999 to 2002.

Ms. Brennan holds a degree in Medical Laboratory Technology from Dawson College, a B.A in Sociology from McGill University and a M.Sc. in Health Administration from *Université de Montréal*.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

- (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 subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under 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.

In addition, except as disclosed below, none of the foregoing 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 securityholder in deciding whether to vote for a proposed director.

All of the above persons have held various positions in the above-mentioned companies or in subsidiaries, related or predecessor companies for the past five years.

Steve Saviuk was a Director and the Chief Financial Officer of Cabia Goldhills Inc. (CGH.V) (“**Cabia**”) until October 28, 2015. On April 5, 2013 a cease trade order, which is still in effect, was issued by the *Autorité des marchés financiers* against Cabia for failing to file its annual financial statements within the required time period.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Summary Compensation

For the purpose of this section:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Corporation or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Corporation, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Corporation, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Corporation or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation thereof to each NEO and each director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation:

Table of compensation excluding compensation securities					
Name and position	Year	Salary, consulting fee, retainer (\$)	Value of Perquisites ⁽⁴⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Steve Saviuk President & CEO	2018	200,014	36,652	10,000	246,666
	2017	200,810	32,385 ⁽¹⁾	9,777	242,972
	2016	200,810	25,635 ⁽¹⁾	9,777	236,222
Luc Mainville ⁽²⁾ SVP & CFO	2018	22,500	Nil	Nil	22,500
Helen Saviuk ⁽³⁾ VP Operations	2018	159,126	Nil	Nil	159,126
	2017	153,600	Nil	Nil	153,600
	2016	150,390	Nil	Nil	150,390
Marc Leger SVP Commercial Operations	2018	164,277	16,040	Nil	180,317
	2017	233,245	15,890 ⁽⁴⁾	Nil	249,135
	2016	156,835	15,780 ⁽⁴⁾	Nil	172,615
Nathalie Therrien VP Regulatory Affairs & QA/QC	2018	170,077	Nil	Nil	170,077
	2017	166,405	Nil	Nil	166,405
	2016	123,690	Nil	Nil	123,690

(1) Includes value of leased vehicle

(2) Mr. Mainville was named Senior Vice President and Chief Financial Officer on September 17, 2018

(3) Ms. Saviuk was Chief Financial Officer of Valeo Pharma from January 2008 to September 17, 2018

(4) Includes value of car allowance

Share Option Grants

As of the date hereof there are 2,388,021 share options outstanding under the Share Option Plan. The following table sets out the directors and officers of the Corporation who were granted share options of the Corporation as of the date of this Circular:

Compensation Securities					
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of grant	Exercise price	Expiry date
Alexander Eastwood ⁽²⁾ Director	Share Options	200,000 (200,000 Shares) (0.4%)	Sept. 17, 2018	0.40	Sept. 17, 2025
Vincent Hogue Director	Share Options	200,000 (200,000 Shares) (0.4%)	Sept. 17, 2018	\$0.40	Sept. 17, 2025
Luc Mainville SVP & CFO	Share Options	975,000 (975,000 Shares) (1.9%)	Sept. 17, 2018	\$0.40	Sept. 17, 2025
Jeff Skinner VP Business Development	Share Options	365,810 (365,810 Shares) (0.7%)	May 1, 2016	\$0.16	May 1, 2021

Compensation Securities					
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of grant	Exercise price	Expiry date
Michael Wells Director	Share Options	200,000 (200,000 Shares) (0.4%)	Nov. 13, 2018	\$0.40	Nov.13, 2025
Maureen Brennan Director	Share Options	200,000 (200,000 Shares) (0.4%)	Nov. 19, 2018	\$0.40	Nov.19, 2025
Guy Paul Allard VP Legal Affairs and Corporate Secretary	Share Options	222,222 (222,222 Shares) (0.4%)	February 19, 2019	\$0.40	February 19, 2024

(1) On a fully diluted basis

(2) Mr. Eastwood resigned from his position as director of the Corporation on November 13, 2018. Of the 200,000 options that were granted to him originally, 150,000 options had not yet vested at the date of his resignation and were therefore cancelled in accordance with the Share Option Plan.

Compensation Discussion and Analysis

The Corporation's compensation policies and programs will be designed to recognize and reward executive performance consistent with the success of the Corporation's business. These policies and programs will be intended to attract and retain capable and experienced people. The Board's role and philosophy will be to ensure that the Corporation's compensation goals and objectives, as applied to the actual compensation paid to the Corporation's CEO and other executive officers, are aligned with the Corporation's overall business objectives and with shareholder interests.

The Board will consider a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation and the Board's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

The Board will assume responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Corporation. The Board will determine the type and amount of compensation for the executive officers. The Board also reviews the compensation of the Corporation's senior executives and reviews the strategic objectives of the Corporation's share option plan and sets stock based compensation, and considers any other matters which in its judgment should be taken into account in reaching conclusions concerning the compensation levels of the Corporation's executive officers.

Philosophy and Objectives

The compensation program for the Corporation's senior management will be designed to ensure that the level and form of compensation achieves certain objectives, including:

- a) attracting and retaining talented, qualified and effective executives;
- b) motivating the short and long-term performance of these executives; and
- c) better aligning their interests with those of the Corporation's shareholders.

Elements of the Compensation Program

In compensating its senior management, the Corporation intends to employ a combination of base salary and equity participation through its Share Option Plan.

Base Salary

In the Board's view, paying base salaries competitive in the markets in which the Corporation operates, is a first step to attracting and retaining talented, qualified and effective executives.

Equity Participation

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation will be accomplished through the Corporation's share option plan. Share options will be granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms of options granted will be determined by the Board.

Given the evolving nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Option-Based Awards

The Corporation has a Share Option Plan in place which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Board expects that management will propose share option grants based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The share option plan will be administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation.

Compensation of Directors

No compensation is currently being paid to our directors. Each director is entitled to participate in any security-based compensation arrangement or other plan adopted by us from time to time with the approval of our Board. The directors will be reimbursed for expenses incurred on our behalf. No additional fees, including meeting fees, will be paid to directors. Director compensation will be subject to review by the Board and possible change on an annual basis. The Board will consider the Corporation's financial situation, industry standards and practices of comparable issuers.

Employment Contracts and Termination of Employment, Changes in Responsibility

There are currently no employment contracts or arrangements with any of our directors pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that director's resignation, retirement or other termination of office.

Pension benefit plan

Effective July 1, 2005, the Corporation's pension benefit plan includes both a defined benefit and a defined contribution component. The defined benefit component of the plan has a limited participation.

The defined contribution plan is also eligible to limited participation and the only Named Executive Officer that forms part of the plan is Steve Saviuk. The defined contribution is equal to 5% of earnings and paid entirely by the Corporation. The defined contributions are accumulated with credited interest until the retirement date of the member, or if earlier, to the date at which the benefits are transferred or paid on retirement, withdrawal or death.

Name	Accumulated value at start of year	Compensatory	Accumulated value at year end
Steve Saviuk, CEO	\$23,612	\$9,777	\$33,785

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who was since the incorporation of the Corporation, a director, executive officer, employee or any former director, executive officer or employee of the Corporation, and no associate of such persons is, or was as of the date of this Circular, indebted to the Corporation or indebted to any other entity where such indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

APPOINTMENT OF AUDITORS AND AUDITORS' REMUNERATION

MNP LLP (previously Horwath Leebosh Appel LLP) is the auditor of the Corporation since their appointment in March 2003.

At the Meeting, Shareholders will be asked to approve the following resolution:

"Be it resolved that MNP, LLP be appointed as external auditors for the Corporation for the ensuing year or until their successor is appointed and that the directors be authorized to fix their remuneration."

The Corporation's management recommends that Shareholders vote FOR the appointment of the proposed auditors. In the absence of instructions to the contrary, the persons named in the enclosed proxy form will vote the Class "A" shares represented thereby FOR of the appointment of MNP, LLP as auditors of the Corporation for the ensuing year.

AUDIT COMMITTEE

(a) Audit Committee Charter

The Corporation's Board of Directors and Audit Committee have adopted an audit committee charter in accordance with National Instrument 52-110- *Audit Committees* ("NI 52-110"). The Corporation's audit committee charter is attached to this Circular as Schedule A.

(b) Composition of the Audit Committee

The members of the audit committee are Vincent Hogue, Steve Saviuk and Michael Wells. Mr. Wells and Mr. Hogue are considered to be “independent” within the meaning of NI 52-110. Each member of the committee is financially literate within the meaning of NI 52-110 - *Audit Committees*. They are able to assess the general application of the accounting principles in connection with the preparation of financial statements and the accounting for estimates, accruals and reserves as well as having an understanding of internal controls and procedures for financial reporting.

Mr. Hogue gained extensive experience in finance and internal controls procedures during his career in banking and finance, namely as Vice-President Brokerage and Private Management for the Desjardins Group.

Mr. Saviuk holds a degree in Commerce and has training and professional experience in accounting. He has extensive experience in analyzing financial statements as director and officer of various public companies, including Manitex Capital Inc.

Mr. Wells has an MBA from the Wharton School of Business. Furthermore, he has extensive experience in analyzing financial statements as a director and senior executive for a number of companies in the health science industry over the years. Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services. However, the Charter of the Audit Committee provides that the provision of any non-audit services must first be considered by the Audit Committee.

(c) Fees paid to External Auditor

The table below sets out the fees incurred by the Corporation for the period ending on October 31, 2018:

Category	2018
Audit Fees ⁽¹⁾	\$116,700
Tax Fees ⁽²⁾	\$1,500
All other fees ⁽³⁾	\$21,913
Total	\$140,113

(1) **Aggregate fees billed by the Corporation's external auditor for audit services.**

(2) Aggregate fees billed by the Corporation's external auditor for professional services rendered for tax compliance, tax advice and tax planning.

(3) Aggregate fees billed by the Corporation's external auditor and not included elsewhere above.

(d) Reliance on Exemption

The Corporation is relying on the exemption contained in Section 6.1 of NI 52-110 that provides that the Corporation, as a venture issuer, is not required to comply with Part 5 (Reporting Obligations) of NI 52-110.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with day-to-day management of the Corporation.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) the Corporation is required to disclose its corporate governance practices, as summarized below. The Board of Directors will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Board of Directors

A Director is “independent” if the Board determines that the Director is not a member of management of the Corporation (including its subsidiaries and affiliates) and is free from any interest and any business, family or other relationships which could interfere with the Directors’ independent judgement. The Board has determined that Michael Wells, Vincent Hogue and Maureen Brennan are “independent”. There are two “non-independent” Directors, namely Steve Saviuk, President and Chief Executive Officer of the Corporation and Richard Mackay, Chairman of the Board of Directors.

The Board has the right and may meet in the absence of the CEO, if a conflict of interest arises or where otherwise appropriate.

The Board will permit individual directors, under appropriate circumstances, to engage external advisors and consultants at the Corporation’s expense.

Directorships

Steve Saviuk is a director and President and Chief Executive Officer of Manitek Capital Inc., which is listed on the TSXV and he is also a director of Ortho Regenerative Technologies Inc. and Earth Alive Clean Technologies Inc. which are both listed on CSE.

Vincent Hogue is a director of Mobi724 Global Solutions Inc., listed on TSXV.

Orientation and Continuing Education

The Board is responsible for overseeing the orientation and the education of new directors and continuing education for existing Board members. New directors meet with the Corporation’s CEO to discuss the Corporation’s expectations of its directors and to discuss the Corporation’s business and strategic plans.

Ethical Business Conduct

The Board assumes stewardship responsibilities with a view to enhancing shareholder value. The Board will be responsible for monitoring the Corporation’s strategic goals and objectives and to review and approve management’s strategic and operational plans to ensure that they are consistent with the identified strategic goals and objectives.

Directors shall disclose all actual or potential conflicts of interest and refrain from voting on matters in which the Director has a conflict of interest.

Nomination of Directors

Due to its relatively small size, the Board as a whole deals with the responsibility of, and determining the process for, proposing new nominees to the Board and assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. The Board has determined that its independence is not compromised by having the Board, as a whole, deal with these issues. The Corporation has adopted a majority voting policy for directors that are presented as candidates at the annual shareholders meeting.

Compensation

The Board reviews the adequacy and form of compensation of the directors to ensure that the compensation reflects the responsibilities and risks involved in being an effective director.

Board Committees

The Board has one committee: the Audit Committee. The Audit Committee is composed of Directors. The role and responsibilities of the Audit Committee are set out in a formal written Charter.

Assessment of Directors

The Board assesses, on an annual basis, its contribution as a whole, and that of any committees of the Board and each of the directors, in order to determine whether each is functioning effectively.

Other Board Committees

Other than as disclosed herein, there are no committees of the Board of Directors as of the date of this Circular.

Assessments

Neither the Corporation nor the Board of Directors has developed a formal review system to assess the performance of the directors or the Board of Directors as a whole. The contributions of individual directors are monitored by other members of the Board of Directors on an informal basis through observation.

SPECIAL RESOLUTION – ARTICLES OF AMENDMENT

At the Meeting, Shareholders will be asked to approve the following resolution:

“WHEREAS on February 18, 2019, the Board of Directors of the Corporation adopted a resolution approving the filing of articles of amendment (“Articles of Amendment”) to remove the restrictions on transfer of Shares of the Corporation and other private issuer provisions, the whole in connection with the listing of the Shares on the Canadian Securities Exchange;

WHEREAS the Articles of Amendment were filed with Corporations Canada and the Director of Corporations Canada issued a Certificate of Amendment dated February 18, 2019.

THEREFORE:

Be it resolved that the Articles of Amendment and their filing be, and they are, hereby approved, ratified and confirmed.”

The Board recommends that shareholders vote FOR the adoption of the special resolution to approve, ratify and confirm the articles of amendment to remove the restrictions on the transfer of shares of the Corporation and other private issuer provisions and their filing with Corporations Canada.

To be effective, the special resolution must be approved by not less than two-thirds of the votes cast by the holders of Shares present in person, or represented by proxy, at the Meeting.

In the absence of instructions to the contrary, the persons named in the enclosed proxy form will vote the Shares represented thereby FOR the adoption of the special resolution to approve, ratify and confirm the articles of amendment to remove the restrictions on the transfer of shares of the Corporation and other private issuer provisions and their filing with Corporations Canada.

SHAREHOLDER PROPOSALS

The Canada Business Corporations Act provides, in effect, that a registered holder or Beneficial Shareholder of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “Proposal”) and discuss at the Meeting any matter in respect of which the person would have been entitled to submit a Proposal. The Canada Business Corporations Act further provides, in effect, that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation.

The foregoing is a summary only; shareholders should carefully review the provisions of the Canada Business Corporations Act relating to Proposals and consult with a legal advisor.

ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal year ended October 31, 2018, and additional information about the Corporation is available on SEDAR at www.sedar.com.

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the financial statements of the Corporation for the fiscal year ended October 31, 2018, together with the accompanying report of the auditors thereon and Management's Discussion and Analysis with respect thereto; and

(b) the Management Information Circular,

Please send your request to:

Valeo Pharma Inc.
16667, Hymus Blvd
Kirkland, Québec H9H 4R9
Telephone: 514 693-8832
Telecopier: 514 694-0443
E-mail: allard@valeopharma.com

Directors' Approval

The Board of Directors of the Corporation has approved the content and sending of this Management Information Circular.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Steve Saviuk*"

Steve Saviuk
Chief Executive Officer

SCHEDULE A

VALEO PHARMA INC.

(the "Corporation")

AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee is appointed by the Board to assist in fulfilling its oversight responsibilities of the Corporation. In so doing, the Committee provides an avenue of communication among the independent auditors, management, and the Board. The Committee's primary duties and responsibilities are to gain reasonable assurance of the following:

- That the Corporation complies with the applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- The independence and satisfactory performance of duties by the Corporation's independent auditors;
- That the accounting principles, significant judgments and disclosures that underlie or are incorporated in the Corporation's financial statements are the most appropriate in the prevailing circumstances;
- That the Corporation's quarterly and annual financial statements present fairly the Corporation's financial position and performance in accordance with generally accepted accounting principles; and
- That appropriate information concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.

COMPOSITION AND OPERATING PROCEDURES

Audit Committee members shall meet the requirements of the exchange upon which the Corporation is listed as well as all government regulatory bodies. The Committee shall be comprised of at least three Directors as determined by the Board, a majority of whom shall be independent, non-executive Directors, free from any relationship that would interfere with the exercise of his independent judgment. All members of the Committee shall be financially literate.

The Committee members shall be appointed by the Board. The Board shall designate the Chairman of the Committee annually.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Quorum shall be a majority of the members.

The Committee, in consultation with management and the independent auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's financial policies and disclosures.

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

The Committee expects that, in discharging their responsibilities to the shareholders, the independent auditors shall be accountable to the Board through the Committee. The independent auditors shall report all material issues or potentially material issues to the Committee.

RESPONSIBILITIES AND DUTIES

A. Financial Accounting and Reporting Process

- Review the Corporation's annual audited financial statements and the accompanying Management Discussion and Analysis prior to filing or distribution, and report its findings for approval to the Board. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
- Review the Corporation's quarterly unaudited financial statements and the accompanying Management Discussion and Analysis prior to filing or distribution, and report its findings for approval to the Board.

- Ensure that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures.
- In consultation with management and the independent auditors, consider the integrity of the Corporation's financial reporting processes and controls. Review significant findings prepared by the independent auditors together with management's responses.
- Review with management and the independent auditors the appropriateness of the Corporation's accounting policies, disclosures, key estimates and judgments, including changes or alternatives thereto and to obtain reasonable assurance that they are in compliance with IFRS, and report thereon to the Board.
- Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

B. Independent Auditors

- The independent auditors are ultimately accountable to the Committee and the Board. The Committee shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
- Assume direct responsibility for overseeing the work of the independent auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the independent auditors regarding financial reporting.
- Evaluate and recommend to the Board the independent auditors to be nominated to prepare or issue an audit report or perform other audit, review or attest services for the Corporation, and the compensation of the independent auditors.
- Pre-approve all non-audit services to be provided to the Corporation by its independent auditors.

Consider the independent auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.