

Executive Compensation

Compensation Discussion and Analysis

All matters relating specifically to senior executive compensation are reviewed and approved by the Compensation and Governance Committee and the Board. The Compensation and Governance Committee is responsible for determining compensation for the individual directors and officers of the Corporation, including the CEO and the Chairman. The Compensation and Governance Committee members have direct experience relevant to their responsibilities relating to executive compensation as set out in their biographies under “Election of Directors”.

The Corporation’s overall policy regarding compensation of the Corporation’s executive officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Corporation, attract and retain qualified executive management and establish a compensation framework which is industry competitive. The Corporation’s policy is to recognize and reward individual performance as well as to place executive compensation within the range of the compensation levels in the industry. The Board, upon the recommendations of the Compensation and Governance Committee, considers the implications of any risks associated with the Corporation’s compensation policies and practices. The Board has not identified any risks arising from the Corporation’s compensation policies or practices that could encourage an NEO to take inappropriate or excessive risks.

The elements of the compensation program for the NEOs are: (i) base salary; (ii) short-term, equity and non-equity based incentives in the form of annual cash bonuses, commissions and shares; and (iii) long-term, equity-based incentives pursuant to the LTIP. The Corporation recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive’s level of responsibility. In the 2022 financial year, compensation consisted of base salary, incentive options, and incentive bonuses; as a result, the Board believes there are no implied risks associated with the Corporation’s policies and practices. It should be further noted that no NEO or director is permitted to purchase instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. The Corporation does not plan to make any significant changes to its compensation policies and practices during the current financial year.

Base Salary

Base salaries are established considering individual performance and experience, level of responsibility and competitive pay practices. To achieve this goal, the Corporation does its own analysis, as well as having in the past retained the services of compensation consultants who were responsible for gathering information on compensation practices. No compensation consultant has been retained in the past five years. Base salaries are reviewed annually and adjusted appropriately to reflect individual performance and market changes.

The base salaries of the Corporation’s NEOs are targeted at a level consistent with the base salaries paid to senior executive officers in the Canadian biotechnology market.

Short Term Incentive

All permanent full time executives and employees have the opportunity to earn an annual performance bonus. The potential bonuses are expressed as a percentage of base salary and are reflective of position. All executives and employees have specific goals based on individual performance and corporate performance relating to revenue, profitability and customer satisfaction. The corporate targets are established by the CEO on an annual

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basis for review by the Compensation and Governance Committee and, if approved, are recommended for approval by the Board.

Long Term Incentives

The Omnibus LTIP complies with requirements of the TSX-V Policy 4.4. Under the LTIP, a maximum of 10% of the issued and outstanding Common Shares are proposed to be reserved at any time for issuance on the exercise of Awards. As the number of Common Shares reserved for issuance under the LTIP increases with the issue of additional Common Shares by the Corporation, the LTIP is considered to be a “rolling” stock option plan. The LTIP provides directors, officers, key employees, and consultants of the Corporation with the opportunity to participate in the LTIP, at the discretion of the Board. The Compensation and Governance Committee of the Board determines the level of Awards granted to executive officers. The Compensation and Governance Committee seeks to compensate executive officers at levels competitive with other companies comparable in size in the same industry and to provide short-term rewards and long-term incentives for superior individual and corporate performance. In making compensation decisions, the Compensation Committee periodically reviews information about the compensation paid or payable to officers of comparably sized public companies. The Compensation and Governance Committee does not have target amounts of stock ownership for the Corporation’s executive officers; however, the Compensation and Governance Committee does consider overall Common Share ownership when granting Awards. Previous grants of Awards are taken into account when considering new grants because the LTIP is subject to certain limits. LTIP is intended to provide executives with the promise of longer-term rewards which appreciate in value with the favourable future performance of the Corporation. Awards are generally granted to an executive when he or she joins the Corporation, with additional Awards from time to time for promotions and performance. The Compensation and Governance Committee believes that the LTIP provides a method of retention and motivation for the executives of the Corporation and aligns senior management’s objectives with long-term stock price appreciation.