



## **Majority Voting Policy**

# KNIGHT THERAPEUTICS INC.

## MAJORITY VOTING POLICY

The Board of Directors (the "**Board**") of Knight Therapeutics Inc. (the "**Company**") believes that each of its members should carry the confidence and support of its shareholders. To this end, the directors have unanimously adopted this statement of policy. Future nominees for election to the Board will be asked to subscribe to this statement before their names are put forward.

Forms of proxy or voting instruction forms for the vote at a shareholders' meeting where directors are to be elected will enable the shareholder to vote in favour of, or to withhold from voting, separately for each nominee. At the meeting, the Chairman of the Board (the "**Chair**") will call for a vote by ballot and the scrutineers will record with respect to each nominee the number of votes "for" his or her election and the number of votes "withheld" from voting. Prior to receiving the scrutineers' report on the ballot, the Chair may announce the vote result based on the number of proxies received by the Company. At the conclusion of the meeting, the final scrutineers' report on the ballot must be filed on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In an uncontested election of directors of the Company, each director should be elected by the vote of a majority of the shares represented in person or by proxy at any shareholders' meeting involving the election of directors. An "**uncontested election**" means an election where the number of nominees for director equals the number of directors to be elected and where no proxy materials are circulated in support of the election of one or more nominees who are not included among the nominees supported by the Board.

If any director nominee receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "**Majority Withheld Vote**"), that director shall immediately submit his or her resignation to the Chair for consideration following the meeting.

The Nominating Committee of the Board (the "**Committee**") shall consider the offer of resignation and recommend to the Board whether or not to accept it. In its deliberations, the Committee will consider any stated reasons why shareholders "withheld" votes from the election of that director, the length of service and the qualifications of the director, the director's contributions to the Company, the effect such resignation may have on the Company's ability to comply with any applicable governance rules and policies and the dynamics of the Board, and any other factors that the Committee considers relevant.

The Board shall review, consider and act on the Committee's recommendation within 90 days following the applicable shareholders' meeting, after considering and evaluating the factors considered by the Committee and any other factors that the Board considers relevant. The Board shall accept the resignation absent exceptional circumstances that would warrant the director to continue to serve on the Board, as determined by the Board in accordance with its fiduciary duties to the Company and its shareholders. The resignation shall be effective immediately upon its acceptance by the Board.

The Company shall promptly issue a press release announcing the Board's decision, and a copy of that press release shall be provided to the Toronto Stock Exchange. If the Board declines to accept the resignation, the press release shall fully state the reasons for that decision.

If a resignation is accepted, the Board may, in accordance with the *Canada Business Corporations Act*, the Company's articles (the "**Articles**") and any previously passed shareholders' resolutions, appoint a new director to fill any vacancy created by the resignation, leave the vacancy unfilled until the next annual meeting of shareholders, reduce the size of the Board, within the minimum and maximum number of directors fixed under the Articles, or call a special meeting of the shareholders of the Company to elect a new director to fill the vacant position. The Board is not limited in any action it may take if a resignation is accepted, except as required by applicable laws, the Articles and previously passed shareholders' resolutions. If a director does not tender his or her resignation in accordance with this policy, the Board will not re-nominate that director at the next election.

Any director who tenders his or her resignation shall not participate in any meeting of either the Committee or the Board at which such director's resignation is considered. If a sufficient number of the Committee members receive a Majority Withheld Vote in the same election, such that the Committee no longer has a quorum, then the directors who do not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. However, if the only directors who do not receive a Majority Withheld Vote in the same election do not constitute a quorum for a Board meeting, each director may participate in any Board meeting to determine whether or not to accept each resignation offer other than such director's own resignation offer, if applicable.

For greater certainty, this policy does not apply to a contested election of directors, *i.e.*, an election where the number of nominees exceeds the number of directors to be elected or where proxy materials have been circulated in support of the election of one or more nominees who are not included among the nominees supported by the Board.

The Committee may adopt such procedures as it sees fit to assist in its determinations with respect to this policy.

Dated: April 23, 2015.