



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held at the Fairmont Royal York (Manitoba Room), 100 Front Street West, Toronto, Ontario,
Toronto, Ontario
at 11:00 a.m. (Toronto time) on June 28, 2018

May 15, 2018

These materials are important and require your immediate attention. They require Shareholders 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.

TABLE OF CONTENTS

BUSINESS OF THE MEETING.....	3	STATEMENT OF EXECUTIVE COMPENSATION	10
PRESENTATION OF FINANCIAL STATEMENTS ..	3	STATEMENT OF CORPORATE GOVERNANCE PRACTICES.....	28
ELECTION OF DIRECTORS	3	DIRECTORS' AND OFFICERS' LIABILITY INSURANCE.....	35
RE-APPOINTMENT OF AUDITORS	9	GENERAL PROXY MATTERS	35
RATIFICATION OF UNALLOCATED ENTITLEMENTS UNDER THE STOCK OPTION PLAN	9	ADDITIONAL INFORMATION.....	38
AMENDMENTS TO THE STOCK OPTION PLAN	10	DIRECTORS' APPROVAL	39

SCHEDULE A - BOARD OF DIRECTORS CHARTER

SCHEDULE B - UNALLOCATED ENTITLEMENTS RESOLUTION

SCHEDULE C - AMENDED STOCK OPTION PLAN RESOLUTION

SCHEDULE D - AMENDED STOCK OPTION PLAN

ACERUS PHARMACEUTICALS CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on, June 28, 2018

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the holders of common shares ("**Shareholders**") of Acerus Pharmaceuticals Corporation ("**Acerus**") will be held at the Fairmont Royal York (Manitoba Room), 100 Front Street West, Toronto, Ontario at 11:00 a.m. (Toronto time) on June 28, 2018 for the following purposes:

- (a) to receive and consider before the Shareholders the consolidated financial statements of Acerus, for the year ended December 31, 2017, including the auditors' report thereon;
- (b) to elect directors for Acerus (the "**Directors**") who will serve until the end of the next annual Shareholder meeting or until their successors are appointed;
- (c) to appoint the auditors of Acerus (the "**Auditors**") for the ensuing year;
- (d) to consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution (the "**Unallocated Entitlements Resolution**") ratifying unallocated entitlements under the Acerus stock option plan (the "**Stock Option Plan**") for the ensuing three (3) years;
- (e) to consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution approving certain amendments to the Stock Option Plan (the "**Amended Stock Option Plan Resolution**") which bring the Stock Option Plan in line with current market practices and are of a housekeeping nature; and
- (f) to transact such further and other business as may properly be brought before the Meeting or any adjournments or postponements thereof.

The specific details of the matters to be put before the Meeting are set forth in the Information Circular. For further information regarding the record date for determination of Shareholders entitled to receive notice of and to vote at the Meeting as well as general proxy matters, see "General Proxy Matters" at page 36 in the Information Circular.

Shareholders who are unable to attend the Meeting are encouraged to complete, sign and return the enclosed form of proxy. To be valid, proxies must be received by Acerus' registrar and transfer agent, TSX Trust Company, at its Toronto office no later than 11:00 a.m. (Toronto time) on Tuesday June 26, 2018 or with the Chairman of the Meeting before the commencement of the Meeting, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, proceeding the time of such adjourned or postponed Meeting or with the Chairman of the Meeting before the commencement of such adjourned or postponed Meeting. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her own discretion, without notice.

Dated at Toronto, Ontario, this 15th day of May 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF
ACERUS PHARMACEUTICALS
CORPORATION**

by: *("Signed") Edward Gudaitis*

Name: Edward Gudaitis

Title: President and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

Introduction

This management information circular (the “Circular”) is furnished to the holders of common shares (the “Shareholders”) in connection with the solicitation of proxies by and on behalf of the management of Acerus Pharmaceuticals Corporation (“Acerus”) for use at the annual and special meeting (the “Meeting”) and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “Notice”).

This Circular, the Notice, the accompanying form of proxy and, where applicable, Acerus’ consolidated financial statements for the year ended December 31, 2017 (the “Financial Statements”) and management discussion and analysis (“MD&A”) are being mailed to shareholders of record of Acerus as of the close of business on May 15, 2018 (the “Record Date”). Acerus is not relying on the notice-and-access provisions of applicable securities laws for delivery of proxy-related materials to Shareholders. Acerus will bear all costs associated with the preparation and mailing of this Circular, the Notice, the accompanying form(s) of proxy and Acerus’ Financial Statements and MD&A, as well as the cost of the solicitation of proxies. The solicitation will be primarily by mail; however, officers and regular employees of Acerus may also directly solicit proxies (but not for additional compensation) personally, by telephone, by telefax or by other means of electronic transmission. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies and will be reimbursed for their reasonable expenses in doing so.

All information contained in this Circular is given as of May 15, 2018 unless otherwise specifically stated.

Currency

All dollar amounts set forth in this Circular are in United States (“U.S.”) dollars, except where otherwise indicated.

ACERUS

Acerus is a Canadian-based specialty pharmaceutical company focused on the development, manufacture, marketing and distribution of innovative, branded products that improve patient experience, with a primary focus in the field of men's and women's health. Acerus commercializes its products via its own salesforce in Canada, and through a global network of licensed distributors in the U.S. and other territories.

Acerus currently has three marketed products: ESTRACE®, a product for the symptomatic relief of menopausal symptoms, is commercialized in Canada; NATESTO®, the first and only testosterone nasal gel for testosterone replacement therapy in adult males diagnosed with hypogonadism, is commercialized in Canada and the U.S.; and URIVARX®, a Natural Health Product that helps reduce symptoms of hyperactive bladder such as daytime urinary frequency, urgency and nocturia. URIVARX® was recently approved by Health Canada and will be offered over-the-counter to Canadians dealing with such symptoms. Also, NATESTO® has been licensed for distribution in 48 additional countries worldwide. Marketing approvals in jurisdictions outside of North America are expected to take place over the course of the coming years. Acerus' pipeline includes five innovative products: STENDRA®, a new chemical entity PDE5 inhibitor for the treatment of erectile dysfunction, which has been approved by the US FDA and the EU EMA and is commercialized in the US under the trade name STENDRA® and in the EU under the trade name SPEDRA®; ELEGANT™ Vaginal Moisturizer, which provides comfort to women suffering from vaginal dryness, and ELEGANT™ pH, which is a pH balanced vaginal product; GYNOFLOR™, an ultra-low dose vaginal estrogen combined with a probiotic, for which a NDS has been filed in Canada for the treatment of vaginal atrophy; and TEFINA™, a clinical stage product aimed at addressing a significant unmet need for women with female sexual dysfunction. Finally, Acerus is working on expanding its product portfolio by leveraging its proprietary delivery systems, patents and formulation expertise. As such, Acerus has a number of products in various stage of development. One of these projects relates to cannabinoids (whether synthetic or naturally derived cannabinoids) to be delivered intranasally to patients, which may have multiple possible therapeutic applications (the "Cannabinoids Initiative"). Acerus has filed patent applications on the Cannabinoids Initiative, is currently working on setting up a series of pharmacokinetic clinical trials and is actively looking at potential partnering transactions for these initiatives.

Acerus was incorporated under the *Business Corporations Act* (Ontario) (the "OBCA") on July 15, 2009 as J5 Acquisition Corp. ("J5"). From incorporation until July 11, 2011, when J5 amended its articles of incorporation to change its name to "Trimel Pharmaceuticals Corporation", it operated as a "capital pool company" pursuant to Policy 2.4 of the TSX Venture Exchange ("TSX-V") Corporate Finance Manual. On July 14, 2011, J5 (Barbados), Inc., a wholly-owned subsidiary of J5 incorporated under Barbados law, amalgamated with Trimel BioPharma Holdings Inc. ("**Trimel Holdings**") under the name "Trimel BioPharma Holdings Inc.". Upon completion of the amalgamation, the corporation completed its qualifying transaction (the "**Qualifying Transaction**") by way of a reverse takeover transaction through an exchange of shares, resulting in the former shareholders of Trimel Holdings obtaining control of Acerus. On September 8, 2015, the name of the corporation was formally changed from "Trimel Pharmaceuticals Corporation" to "Acerus Pharmaceuticals Corporation".

Acerus is the parent corporation to two wholly-owned subsidiaries. The Corporation owns a 100% interest in Acerus Labs Inc., which was incorporated under the laws of the Province of Ontario on June 19, 2017, and Acerus Biopharma Inc., which was continued under the laws of the Province of Ontario on November 8, 2017 (formerly Acerus Pharmaceuticals SRL, incorporated under the laws of Barbados). In addition, Acerus used to own a 100% interest in Acerus Pharmaceuticals (Barbados) Inc. ("**Acerus Barbados**"), which was incorporated under the laws of Barbados on September 9, 2008 as the former corporate parent. Acerus Barbados was officially dissolved on February 26, 2018.

The registered and head office of Acerus is located at 2486 Dunwin Drive, Mississauga, Ontario, L5L 1J9.

The common shares (the “**Shares**”) of Acerus are posted and listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “ASP”.

BUSINESS OF THE MEETING

The Meeting will be constituted as an annual and special meeting.

As part of the annual business set out in the Notice, the Financial Statements will be placed before the Shareholders by Acerus and Shareholders will be asked to consider and vote on: (a) the election of the directors of Acerus (the “**Directors**”) who will serve until the end of the next annual Shareholder meeting, or until their successors are appointed; (b) the appointment of the auditors of Acerus (the “**Auditors**”) for the ensuing year; (c) the ratification of unallocated entitlements under the Stock Option Plan for the ensuing three (3) years; and (d) the approval of amendments to the Stock Option Plan.

Finally, Shareholders may be asked to consider and vote on such further and other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

Interests of Certain Persons or Companies in the Matters to be Acted Upon

As at the date of this Circular, the Directors and officers of Acerus and their associates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of approximately 109,174,484 Shares representing approximately 51% of the outstanding Shares.

Except as otherwise described herein or in the annual information form of Acerus dated March 20, 2018 (available on SEDAR at www.sedar.com), none of the principal holders of Shares or any Director or officer of Acerus, as the case may be, or any associate or affiliate of any of the foregoing persons since January 1, 2017, has any material interest in any proposed matter, other than the election of Directors, that materially affected or will materially affect, Acerus or any of its affiliates.

PRESENTATION OF FINANCIAL STATEMENTS

Management, on behalf of the board of Directors of Acerus (the “**Board**”), will submit the Financial Statements to the Shareholders at the Meeting, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

The Financial Statements placed before Shareholders are included in Acerus’ 2017 annual financial statements and MD&A which, where applicable, are being mailed to registered holders of Shares (“**Registered Shareholders**”) as well as beneficial Shareholders with the Notice and this Circular and are available under Acerus’ profile on SEDAR at www.sedar.com and on Acerus’ website. Copies of such statements will also be made available at the Meeting.

ELECTION OF DIRECTORS

Under the articles of Acerus, the Board is to consist of a minimum of three and a maximum of 11 directors. In accordance with Acerus’ by-laws, a majority of the Directors must be independent of Acerus and of any “control person” of Acerus (as such term is defined in applicable securities laws). The number of Directors to be elected at the Meeting is six.

Management proposes to nominate, and the persons named in the accompanying form of proxy will vote **FOR** the election of the six persons whose names are set forth below, all of whom are now and have been Directors for the periods indicated.

Management does not contemplate that any of the nominees will be unable to serve as a Director. If, as a result of circumstances not now contemplated, any nominee is unavailable to serve as a Director, the proxy will be voted for the election of such other person or persons as management may select or, alternatively, in accordance with and subject to the constating documents of Acerus and the OBCA, the Board may determine to reduce the size of the Board. Each Director elected will hold office until the next annual meeting of Shareholders of Acerus, or until his or her respective successor is elected or appointed in accordance with applicable law and Acerus' by-laws.

The Board has adopted a majority voting policy which requires that any nominee for Director who has a greater number of votes withheld from voting than the number of votes received for his or her election shall tender his or her resignation to the chairman of the Board, subject to acceptance by the Board. The majority voting policy only applies to uncontested elections, meaning elections where the number of nominees for election is equal to the number of Directors to be elected as set out in the management information circular for the particular meeting. The Corporate Governance and Nominating Committee is required to consider the resignation, having regard to the best interests of Acerus and all factors considered relevant, and to make a recommendation to the Board with respect to the action to be taken with respect to the resignation. The Corporate Governance and Nominating Committee will be expected to recommend that the Board accept the resignation absent exceptional circumstances. The Board is required to make its decision and announce it in a press release within 90 days of the annual meeting including, if applicable, the reasons for rejecting an offer of resignation. A copy of any such press release will be provided to the TSX. The Board is expected to accept the resignation of the applicable director absent exceptional circumstances. If a sufficient number of the Corporate Governance and Nominating Committee members receive a greater number of votes withheld than votes in favour of his or her election, such that the Corporate Governance and Nominating Committee no longer has quorum, then the independent Directors must appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them.

Director Nominees of Acerus Pharmaceuticals Corporation

The following table sets forth information with respect to each of the six nominees for Director, including the number of common shares of Acerus beneficially owned, directly or indirectly, or over which control or direction is exercised by each such nominee as at May 15, 2018:

Name, Province of Residence	Director Since	Principal Occupation During the Previous Five Years	Current Standing Board Committee Memberships	Shares Beneficially Owned, Controlled or Directed
Ian O. Ihnatowycz, Chairman of the Board Ontario, Canada (Independent)	September 9, 2013	President and Chief Executive Officer, First Generation Capital Inc. (April 2011 to present)	None	102,518,784 ⁽¹⁾
Norma Beauchamp, Director Ontario, Canada (Independent)	June 26, 2015	Director and Chair of the Corporate Governance and Compensation Committee, MedReleaf Corp. (June 2017 - present) President and Chief Executive Officer, Cystic Fibrosis Canada (November 2014 - November 2017) Head, MS Patient-Centered Care, Sanofi Canada (July 2013 - August 2014) President, Healthcare Consulting (February 2009 - July 2013)	1. Audit Committee 2. Corporate Governance and Nominating Committee (Chair)	40,000 ⁽²⁾
Borys Chabursky, Director Ontario, Canada (Independent)	December 20, 2015	Founder and Chairman, Shift Health (February 2011 - Present) Chairman, SHI Capital (February 2011 - Present) President, SHI Ventures (February 2011 - Present)	1. Compensation Committee 2. Corporate Governance and Nominating Committee	57,500 ⁽³⁾

Name, Province of Residence	Director Since	Principal Occupation During the Previous Five Years	Current Standing Board Committee Memberships	Shares Beneficially Owned, Controlled or Directed
Stephen Gregory Director Québec, Canada (Independent)	July 14, 2011	President, IsaiX Technologies Inc. (March 1989 to present)	1. Audit Committee 2. Compensation Committee (Chair) 3. Corporate Governance and Nominating Committee	2,427,027 ⁽⁴⁾
J. Mark Lievonen, Director Ontario, Canada (Independent)	December 6, 2017	Director, Oncolytics Biotech Inc. (April 2004 to present) Director, Quest Pharmatech Inc. (July 2017 to present) President, Sanofi Pasteur Limited (March 1999 to December 2016)	1. Audit Committee (Chair) 2. Compensation Committee	Nil ⁽⁵⁾
Edward Gudaitis, President and Chief Executive Officer Ontario, Canada (Not Independent)	May 1, 2018	President and Chief Executive Officer of Acerus Pharmaceuticals Corporation (May 1, 2018 to present) Vice President and Country Manager, Canada, Allergan Inc. (October 2016 - April 2018) General Manager, Gilead Sciences Canada Inc. (June 2005 to October 2016)	None	Nil

- (1) Mr. Ihnatowycz also holds options to purchase 475,000 Shares.
- (2) Ms. Beauchamp also holds options to purchase 400,000 Shares.
- (3) Mr. Chabursky also holds options to purchase 400,000 Shares.
- (4) Mr. Gregory also holds options to purchase 450,000 Shares.
- (5) Mr. Lievonen holds options to purchase 200,000 Shares.

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

Ian O. Ihnatowycz

Mr. Ihnatowycz has served as a Director since September 2013. Mr. Ihnatowycz is the President and CEO of First Generation Capital Inc., a private investment holding company. Formerly, Mr. Ihnatowycz was Founder, President and CEO of Acuity Investment Management Inc. and Acuity Funds

Ltd. Under his leadership, Acuity was the first Canadian advisor to the UN on the integration of environmental, social and governance factors within investment management and grew to combined assets of over \$7.5B. Mr. Ihnatowycz has been an active community leader and fundraiser, is Chairman of Acerus Pharmaceuticals and Myca Health, and serves on the boards of numerous organizations including Kardium Inc., WellBox Inc., Real Imaging Ltd., Fulcrum Management Solutions Ltd., Ikomed Technologies and the Royal Conservatory of Music; and is a member of the Ivey Advisory Board, the Ian O. Ihnatowycz Institute for Leadership Advisory Board of the Ivey Business School and the Investment Advisory Committee of Imperial Capital Acquisition Fund V and VI. Mr. Ihnatowycz was named a Chevalier of the Order of Merit, 3rd Class, by Ukrainian President Petro Poroshenko in 2017, has received an Honorary Doctor of Laws from Western University (2012), an Honorary Doctor of Philosophy from the Ukrainian Free University in Munich (2009) and is a Fellow of the Royal Conservatory of Music (2007).

Norma Beauchamp

Ms. Beauchamp has served as a Director since June 2015. Ms. Beauchamp is the former President and Chief Executive Officer of Cystic Fibrosis Canada. An accomplished business and non-profit leader, she has held three decades of senior leadership positions in Canada and Germany, including executive positions at Genzyme, Bayer, Sanofi and the Canadian Foundation for Women's Health. Ms. Beauchamp serves on the boards of Eve Medical and MedReleaf and has served on the boards of the St. Joseph's Health Centre Foundation, Providence Healthcare Foundation and the Breast Cancer Society of Canada, and is also a passionate patient advocate and volunteer, working with patient and healthcare organizations to enhance access to care. Ms. Beauchamp currently serves on the Advisory Boards of Women Get On Board and Hospitality Network. Ms. Beauchamp completed the University of Toronto's Rotman School of Management Directors Education Program (ICD.D) in 2009 and graduated from Bishop's University with a Bachelor of Business Administration in Marketing.

Borys Chabursky

Mr. Chabursky has served as a Director since December 2015. Mr. Chabursky specializes in strategic planning, fundraising, financial management and business development for biotechnology, medical device, imaging and oncology companies and science and technology incubators in both the public and private sector. As the founder and Chairman of Shift Health, he has overseen the successful completion of over 500 life sciences assignments for more than 300 clients in North America, Europe and the Middle East; the development of compelling business cases and implementation plans that have helped leverage over \$1B in financing from private and public sector resources; and the creation and facilitation of more than 50 public-private partnerships in biomedical research, infrastructure development and global health. Mr. Chabursky has worked closely with industry thought leaders, large pharmaceutical companies, government agencies, hospital boards and healthcare networks. He has also provided interim management for seven start-up companies and angel financing for ten new start-up ventures. With his experience spearheading large-scale, multi-stakeholder, global initiatives, Mr. Chabursky often serves as an advisor to influencers and developers of government policy.

Stephen Gregory

Mr. Gregory has served as a Director since July 2011. Mr. Gregory is President, Chairman and the controlling shareholder of IsaiX Technologies, a privately held company headquartered in Montreal, with offices in the United States and England. IsaiX Technologies works extensively across a wide variety of industry segments and has ongoing business relationships with more than 100 companies in the pharmaceutical, finance, banking and insurance sectors. IsaiX Technologies provides and implements for its clients human development programs, medical writing and physician scheduling platform services. Mr. Gregory also spearheads charitable endeavours for the children of Canadian soldiers serving

overseas. Mr. Gregory has also completed the Institute of Corporate Directors Education Program offered jointly by the Institute of Corporate Directors and the Rotman School of Business of the University of Toronto.

J. Mark Lievonon

Mr. Lievonon has over 30 years of experience in the pharmaceutical industry, more recently as the President of Sanofi Pasteur Limited, the Canadian vaccine division of Sanofi, a global pharmaceutical company. He is a Director of Oncolytics Biotech Inc., Quest PharmaTech Inc., and the Gairdner Foundation. Mr. Lievonon has served on a number of industry and not-for-profit boards including as Chair of Rx&D (now Innovative Medicines Canada), BIOTECCanada, the Ontario Genomics Institute, and Vice-Chair of the Ontario Institute for Cancer Research. He was appointed to the Order of Canada in 2015, named a Chevalier de l'Ordre National de Mérite by the government of France in 2007, and was inducted into the Canadian Healthcare Marketing Hall of Fame in 2013. Mr. Lievonon holds a BBA in accounting and a MBA in finance and marketing from the Schulich School of Business, York University. In 2015, he received an Honorary Doctor of Laws degree from York University. Mr. Lievonon is a Chartered Professional Accountant and received his designation while working with PricewaterhouseCoopers prior to joining Sanofi Pasteur. He was elected as a Fellow of the Institute of Chartered Accountants of Ontario in 2007.

The persons named in the accompanying form of proxy will, in the absence of specifications or instructions to withhold from voting on the form of proxy, vote FOR each of the proposed Director nominees named in the form of proxy.

Interests of Informed Persons in Material Transactions

Other than as described in Acerus' securities filings (including its Annual Information Form dated March 20, 2018), since January 1, 2017, Acerus did not have any transactions, or any proposed transactions, with any "informed person" (as defined in applicable securities law), or any proposed Director of Acerus, or any associate or affiliate of any informed person or proposed Director, who had a material interest, direct or indirect, which has materially affected or would materially affect Acerus.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of Acerus, none of the persons proposed for election as Directors nor any personal holding company owned or controlled by any of them are, as at the date hereof, or have been, within the 10 years before the date of this Circular, 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 securities legislation that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person 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.

To the knowledge of Acerus, none of the persons proposed for election as Directors nor any personal holding company owned or controlled by any of them: (a) are, as at the date of this Circular, or have been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person 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 (b) have, within the 10 years before

the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties and Sanctions

To the knowledge of Acerus, none of the persons proposed for election as Directors nor any personal holding company owned or controlled by any of them: (a) has been subject to 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) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

RE-APPOINTMENT OF AUDITORS

At the Meeting, the Shareholders will be asked to re-appoint PricewaterhouseCoopers LLP as the Auditor of Acerus, based on the recommendation of the Audit Committee and the Board.

The persons named in the accompanying form of proxy will, in the absence of specifications or instructions to withhold from voting on the form of proxy, vote FOR the re-appointment of PricewaterhouseCoopers LLP as the Auditor of Acerus to hold office until the next annual meeting of Shareholders.

Representatives of PricewaterhouseCoopers LLP are expected to attend the Meeting and will have an opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

In terms of external auditor service fees, the following billings (paid or accrued) were made to Acerus' auditors in respect of the last two fiscal years ending December 31, 2017:

<u>Fiscal Year</u>	<u>Audit Fees</u>	<u>Audit-Related Fees</u>	<u>Tax Fees⁽¹⁾</u>	<u>All Other Fees</u>	<u>Total</u>
2017	\$114,500	nil	\$147,958	nil	\$262,458
2016	\$111,337 ⁽²⁾	nil ⁽²⁾	\$42,382	\$nil	\$153,719

(1) The amounts shown are comprised of the fees charged by Acerus' external auditors in connection with certain tax compliance and consulting services.

(2) \$15,097 of fees related to work on quarterly unaudited financial statements were re-classified to Audit Fees for fiscal 2016.

RATIFICATION OF UNALLOCATED ENTITLEMENTS UNDER THE STOCK OPTION PLAN

At the Meeting, the Shareholders will be asked to consider, and, if deemed appropriate, ratify a resolution approving the unallocated entitlements under the Stock Option Plan. A copy of the Unallocated Entitlements Resolution is set out in Schedule "B" of this Circular.

Shareholders are referred to the information on the Stock Option Plan contained in the section titled "Description of Incentive Plans - Stock Option Plan" and "Amendments to the Stock Option Plan" of this Circular. Pursuant to requirements of the TSX, the Stock Option Plan must be presented to the Shareholders for ratification of the unallocated entitlements every three years. As such, the Stock Option Plan is herein presented to the Shareholders at this Meeting for the purposes of considering, and if

deemed appropriate, approving the unallocated entitlements under such Stock Option Plan for the ensuing three (3) years.

The Board has determined that approval of the unallocated entitlements under the Stock Option Plan is in the best interests of Acerus and its Shareholders. The Board recommends that the Shareholders vote in favour of the adoption of the Unallocated Entitlements Resolution. Unless a Shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of such resolution.

In accordance with the rules of the TSX, in order to be effective, the resolution must be passed by the affirmative vote of the majority of the voting shares cast at the Meeting with respect to such resolution. If approval is not obtained at the Meeting, stock options of Acerus which (a) have not been allocated as of June 28, 2018 and (b) which are outstanding as of June 28, 2018 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the resolution.

AMENDMENTS TO THE STOCK OPTION PLAN

At the Meeting, the Shareholders will be asked to consider, and, if deemed appropriate, approve a resolution approving amendments to the Stock Option Plan. A copy of the Amended Stock Option Plan Resolution is set out in Schedule “C” of this Circular.

Further to a review of the Stock Option Plan, the Board approved, as of May 14, 2018, amendments to the Stock Option Plan. The amendments consist of amendments to various provisions of the Stock Option Plan in line with current market practices and are of a housekeeping nature.

A copy of the amended Stock Option Plan, including the proposed changes described above, is appended hereto as Schedule “D”. The amendments to the Stock Option Plan are also subject to approval by the TSX. If approved by Shareholders and the TSX, the Stock Option Plan as amended by the Stock Option Plan amendments will supersede and replace the Stock Option Plan and stock options previously granted under the Stock Option Plan will be deemed to have been granted under the amended Stock Option Plan. In the event Shareholders do not approve such resolution at the Meeting, the Stock Option Plan will remain in effect, without the Stock Option Plan amendments, and all outstanding stock options will remain subject thereto.

The Board has determined that approval of the amendments to the Stock Option Plan is in the best interests of Acerus and its Shareholders. The Board recommends that the Shareholders vote in favour of the adoption of the Amended Stock Option Plan Resolution. Unless a Shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of such resolution.

Approval of the amendments to the Stock Option Plan requires that the resolution be passed by a majority of the votes cast by Shareholders at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of the Board (“**Compensation Committee**”) has reviewed the following Compensation Discussion and Analysis (“**CD&A**”) and this Statement of Executive Compensation. Based on its review, the Compensation Committee recommended to the Board, and the

Board approved, that the following CD&A and Statement of Executive Compensation be included in this Circular.

The Compensation Committee is presently comprised of three members, Messrs. Lievonen, Chabursky and Gregory (Chair), all of whom are independent for purposes of National Instrument 58-101 – *Corporate Governance*. For a discussion of the members’ relevant education or experience as related to the Compensation Committee, please refer to the biographies of each member of the Compensation Committee as provided in “Election of Directors” above.

The Compensation Committee oversees Acerus’ compensation plans and framework, discharges the Board’s responsibilities relating to compensation, evaluates the President and Chief Executive Officer’s performance in light of Acerus’ corporate goals and objectives, and reviews and (either as a committee or together with other independent Directors) makes recommendations concerning the President and Chief Executive Officer’s compensation as well as the compensation of other executive officers (in consultation with the President and Chief Executive Officer).

Compensation Philosophy

Acerus values the importance of attracting, developing, and maintaining skilled, high performing employees who are passionate about Acerus’ success. The compensation philosophy and strategy are geared towards creating a results-oriented, high-performance culture throughout the organization. The executive compensation program adopted by Acerus has been designed to support Acerus’ primary objective of generating long-term shareholder value.

In connection with a review of Acerus’ compensation practices in 2012 and 2013, the Wilkinson Consulting Group (“WCG”) was engaged to provide assistance, with a mandate that included the review of Acerus’ executive compensation model generally, Acerus’ proposed employee salary bands, bonus plan and performance management system. Additionally, WCG was engaged to provide certain advice related to Acerus’ short term incentive plan in 2014. Acerus paid fees of \$2,541 to WCG for fiscal 2017. Acerus did not pay any fees to WCG in fiscal 2015 or 2016.

The Compensation Committee has taken into account the suggestions and recommendations of WCG in designing the Acerus’ executive compensation program.

The main objectives of Acerus’ executive compensation program are to:

- align executive interests with the interests of shareholders;
- promote a “pay-for-performance” philosophy and ensure that individuals are compensated in accordance with their personal performance and responsibilities as well as their contribution to the overall objectives of Acerus;
- attract, retain, and reward qualified executives; and
- offer compensation that is competitive in the industry while remaining within the limits of available resources given the stage of Acerus’ development.

Acerus’ compensation program is presently designed primarily to be competitive with similar organizations operating in the Canadian market with consideration, to a lesser degree, to United States pharmaceutical organizations. For the management executives, a substantial portion of their compensation is at risk, meaning that variable compensation in the form of short- and long-term incentives has the potential to comprise the majority of total compensation. Total compensation levels are set to reflect both the marketplace to ensure competitiveness and the ability of the individual in the role to affect Acerus’ results over the short- and long-term.

In connection with the compensation paid to Named Executive Officers in 2017, reference was made to corporate and individual objectives for purposes of determining the amount, if any, of short-term and long-term incentive payouts. Such objectives included both qualitative and quantitative criteria relating to both corporate and individual performance. The overall corporate objectives of Acerus are approved by the Board on a yearly basis, and the President and Chief Executive Officer submits corresponding individual objectives to the Compensation Committee for approval. The individual objectives of other Named Executive Officers will be approved by the President and Chief Executive Officer and may include both qualitative and quantitative objectives, depending on the nature of the Named Executive Officer's role and other circumstances. These individual objectives for the Chief Executive Officer are intended to align with the annual corporate objectives that have an expectation of achievement with an appropriate degree of risk in this regard and, for the other executives, reflect the respective functional responsibilities and area of influence and control.

In order to protect against the possibility of any inappropriate risk-taking behaviours, the Compensation Committee has adopted what it believes to be a harmonized mix of cash and equity compensation for executives balancing both short- and long-term incentives.

The executive compensation package currently consists of three key elements:

- **Base Salary** intended to provide regular compensation that reflects the individual's skills, responsibilities, criticality of the position to Acerus, experience level, internal comparability, and past performance. For the existing Named Executive Officers, base salaries were determined at the date of hire using a number of factors including the direct comparison of substantially equivalent positions in an applicable industry comparator group and relevant experience. Executives may also receive certain payments such as for automobile and, in certain circumstances, housing allowances, as well as payment of certain professional dues.
- **Short-Term Incentives ("STI")** in the form of a discretionary annual cash bonus, are designed to provide executive management with a competitive incentive that reflects overall Corporation performance as well as the performance versus individual objectives. Cash bonuses are generally determined in the first quarter of each year, following approval by the Board.
- **Long-Term Incentives ("LTI")** in the form of discretionary stock options, are determined by considering overall corporate performance as well as the performance of the individual employee with reference to their individual objectives. The role of the LTIs is to align an executive's performance with the long-term performance of Acerus, provide an additional incentive for an executive to enhance shareholder value and serve as an important retention tool of key talent. The Board generally adheres to the following principles in connection with grants of stock options as LTIs:
 - the stock options will generally be granted annually and at the discretion of the Board;
 - previous grants and existing equity ownership levels are taken into account when considering further grants of stock options as part of the LTI program;
 - stock options granted as part of the LTI program generally carry a five year life and vest over a three year period, one-third each year on the anniversary date of the grant;
 - the option price will be determined by the Board and shall in no circumstance be lower than the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of the grant; and
 - options have generally been awarded based on a percentage of the Named Executive Officer's salary (as discussed below) divided by the Black Scholes value of said options, and it is anticipated that such methodology will be used going forward.

On an aggregate basis, the following STI and LTI targets are applicable to the Named Executive Officers:

<u>Position</u>	<u>Target STI (% of Base Salary)</u>	<u>Target LTI (% of Base Salary)</u>
President and Chief Executive Officer	50%	100%
Chief Financial Officer, Chief Operating Officer and Chief Scientific Officer	35%	50%
Other Named Executive Officers	25%	50%

However, it is noted that such target payouts remain at the discretion of the Board, and may be reduced or increased by a performance-based multiplier, with reference to the individual objectives of the Named Executive Officer. Additionally, the payment of any bonus amount to a Named Executive Officer may be deferred until a later date or made subject to the satisfaction of certain specific conditions to payment, if deemed to be advisable.

The Named Executive Officers (as defined below under “*Summary Compensation Table*”) and Directors are, under the terms of Acerus’ Insider Trading Policy, prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of the Shares, including Shares granted as compensation or held directly or indirectly by a Director or Named Executive Officer.

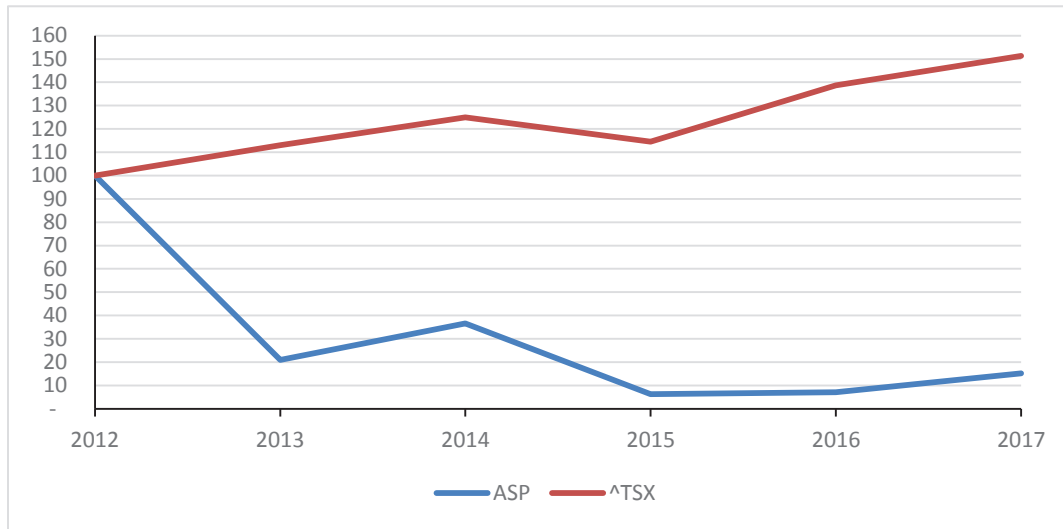
Compensation Risk

The Compensation Committee has not formally considered the implications of risks associated with Acerus’ compensation policies and practices as, in its view, the current structure of Acerus’ executive compensation arrangements is designed to correlate to the long-term performance of Acerus, which includes but is not limited to performance of its share price.

Performance Graph

The following graph shows the yearly change in the cumulative Shareholder total return on the Shares compared to the cumulative total return of the S&P/TSX Composite Index from December 31, 2012 to December 31, 2017, in each case assuming a \$100 investment on the commencement of, and reinvestment of distributions or dividends, as applicable, during the applicable period.

Performance Graph
(December 31, 2012 to December 31, 2017)



Summary Compensation Table

The following table sets forth a summary of all compensation earned during the three most recently completed fiscal years ended December 31, 2017, 2016 and 2015 for the President and Chief Executive Officer, the Chief Financial Officer during 2017 and the top three additional executive officers of Acerus whose total compensation exceeded, or would have exceeded, \$150,000 for 2017 (collectively the “Named Executive Officers”). All payments to each Named Executive Officer were paid in Canadian dollars. Amounts shown for each of 2017, 2016 and 2015 have, if paid in a currency other than U.S. dollars, been converted using the average Bank of Canada noon rate of exchange in effect during the applicable year.

Name and Principal Position	Year	Salary (U.S.\$)	Share-based awards (U.S.\$)	Option-based awards ⁽¹⁾ (U.S.\$)	Non-Equity Incentive plan compensation (U.S.\$)		Pension Value (U.S.\$)	All other compensation (U.S.\$)	Total compensation (U.S.\$)
					Annual Incentive Plan	Long-Term Incentive Plan			
Luc Mainville, Former Interim Chief Executive Officer ⁽²⁾	2017	60,643	Nil	48,773 ⁽²⁾	36,000	Nil	Nil	16,363	161,779
Tom Rossi, Former President and Chief Executive Officer ⁽³⁾	2017	216,582	Nil	185,172	Nil	Nil	Nil	1,113,005 ⁽⁴⁾	1,514,759
	2016	283,060	Nil	135,904	Nil	Nil	Nil	245,396	664,360
	2015	293,264	Nil	264,444	Nil	Nil	Nil	272,431	830,140

Name and Principal Position	Year	Salary (U.S.\$)	Share-based awards (U.S.\$)	Option-based awards ⁽¹⁾ (U.S.\$)	Non-Equity Incentive plan compensation (U.S.\$)		Pension Value (U.S.\$)	All other compensation (U.S.\$)	Total compensation (U.S.\$)
					Annual Incentive Plan	Long-Term Incentive Plan			
Ken Yoon, Chief Financial Officer ⁽⁵⁾	2017	116,794	Nil	56,288	40,878	Nil	Nil	8,278 ⁽⁹⁾	222,238
Tricia Symmes, Chief Operating Officer ⁽⁶⁾	2017	211,769	Nil	42,174	88,943	Nil	Nil	14,631 ⁽⁹⁾	357,517
	2016	34,596 ⁽⁷⁾	Nil	43,477 ⁽⁸⁾	Nil	Nil	Nil	2,264	80,337
Nathan Bryson, Chief Scientific Officer	2017	198,977	Nil	60,556	50,055	Nil	Nil	14,246 ⁽⁹⁾	323,834
	2016	188,680	Nil	48,094	47,174	Nil	Nil	13,964	297,912
	2015	185,265	Nil	69,393	50,948	Nil	Nil	14,077	319,682
Philippe Savard, Vice President, General Counsel and Corporate Secretary ⁽¹⁰⁾	2017	141,500	Nil	36,046	39,177	Nil	Nil	14,104 ⁽⁹⁾	230,827
	2016	67,420	Nil	14,704	16,855	Nil	Nil	22,028	121,006

(1) The option-based awards are based on the fair value of the option on the grant date for the covered fiscal year based on the Black-Scholes option pricing model and are stated in U.S. dollars. Acerus chose the Black-Scholes model because it is a widely recognized and utilized model for option pricing. Certain options granted to Tricia Symmes, Nathan Bryson, Philippe Savard and Tom Rossi in 2017 had an expected life of five years, three-year vesting period, in equal thirds; the risk free rate used was 1.07%; the volatility rate used was 98% and an exercise price of Cdn.\$0.12, resulting in an average fair price per option of Cdn.\$0.08. Certain options granted to Luc Mainville, Tricia Symmes, Ken Yoon, Nathan Bryson and Philippe Savard in 2017 had an expected life of five years, 4.7 month vesting period; the risk free rate used was 1.76%; the volatility rate used was 94% and an exercise price of Cdn.\$0.12, resulting in an average fair price per option of Cdn.\$0.10. Certain options granted to Tom Rossi in 2017 had an expected life of five years, three-year vesting period, in equal thirds; the risk free rate used was 1.76%; the volatility rate used was 103% and an exercise price of Cdn.\$0.13, resulting in an average fair price per option of Cdn.\$0.09. Certain options granted to Luc Mainville in 2017 had an expected life of three years, vested immediately; the risk free rate used was 1.59%; the volatility rate used was 93% and an exercise price of Cdn.\$0.12, resulting in an average fair price per option of Cdn.\$0.08. Certain options granted to Ken Yoon in 2017 had an expected life of five years, three-year vesting period, in equal thirds; the risk free rate used was 1.76%; the volatility rate used was 96% and an exercise price of Cdn.\$0.11, resulting in an average fair price per option of Cdn.\$0.08. The key assumptions used for the valuation model for the 2016 grants (other than those made to Tricia Symmes, Philippe Savard and certain options granted to Tom Rossi) were as follows: all options had an expected life of five years, three year vesting period, in equal thirds; the risk free rate of 0.97%; the volatility rate used was 86% and an exercise price of Cdn.\$0.10. The use of these variables resulted in an average fair price per option of Cdn.\$0.07. Certain options granted to Tom Rossi in 2016, had an expected life of five years; a vesting period of three years, in equal thirds; the risk free rate used was 0.91%; the volatility rate used was 101%; and an exercise price of Cdn.\$0.13, resulting in a fair value price per option of \$0.14. For those options granted to Tricia Symmes in 2016, the options had an expected life of five years; a vesting period of three years, in equal thirds; the risk free rate used was 0.63%; the volatility rate used was 99%; and an exercise price of Cdn.\$0.18, resulting in a fair value price per option of \$0.12. For those options granted to Philippe Savard in 2016, the options had an expected life of five years; a vesting period of three years, in equal thirds; the risk free rate used was 0.91%; the volatility

rate used was 96%; and an exercise price of Cdn.\$0.09, resulting in a fair value price per option of \$0.06. The key assumptions used for the valuation model for the 2015 grants were as follows: all options had expected life of five years; vesting periods ranged from one year for Director options and three years, in equal thirds, for management and employees options; the risk free rate used was 1.4%; the volatility rate used was 80%; and an exercise price of Cdn.\$0.75. The use of these variables resulted in an average fair price per option of Cdn.\$0.48. For further information regarding the “in the money” amount of any options presently held by the named executive officers, please see the “Outstanding Share-Based Awards and Option-Based Awards Table” below.

- (2) Mr. Mainville was appointed as Interim Chief Executive Officer on October 2, 2017. The option-based awards reflect only the options granted to Mr. Mainville as Interim Chief Executive Officer in fiscal 2017.
- (3) Mr. Rossi ceased to be President and Chief Executive Officer of Acerus on October 2, 2017. His compensation for 2017 will reflect the time until he ceased to be President and Chief Executive Officer.
- (4) The amounts shown for Mr. Rossi under “All Other Compensation” in 2017, 2016 and 2015 are comprised of a housing allowance and severance fees accrued by Acerus to Mr. Rossi.
- (5) Mr. Yoon was appointed as Chief Financial Officer on June 1, 2017.
- (6) Ms. Symmes commenced employment with Acerus on November 1, 2016.
- (7) 2016 represents partial salary based on their respective employment end dates.
- (8) This figure shows the value of a grant of 500,000 options to Ms. Symmes in accordance with the terms and conditions of her employment agreement.
- (9) The amounts shown under “All Other Compensation” include an automobile allowance paid by Acerus.
- (10) Mr. Savard commenced employment with Acerus on July 4, 2016.

Executive Employment Agreements

Set out below are the principal terms and conditions of the employment agreements between Acerus and each of the Named Executive Officers that are employed by Acerus as of the date of this Circular.

(a) Edward Gudaitis

Mr. Gudaitis is party to an executive employment agreement dated March 28, 2018.

Under the terms of such employment agreement, Mr. Gudaitis may terminate his own employment on 90 days’ written notice to Acerus and may be terminated by Acerus immediately for cause, or for reasons other than for cause on 12 months’ notice, plus one additional months’ notice for each year of active employment with Acerus, up to an aggregate maximum of 18 months. However, upon termination of Mr. Gudaitis without cause, Acerus may, in its sole discretion, in lieu of notice, pay to Mr. Gudaitis: (i) an amount equal to 12 months’ salary, plus one another month of base salary for each of active employment with Acerus, up to an aggregate maximum of 18 months of salary (the “**Gudaitis Termination Payment Period**”), (ii) an amount equal to the average of any bonus paid to Mr. Gudaitis in the last three years ending prior to the date of termination, which average is to be divided by twelve and then multiplied by the number of months in the Gudaitis Termination Payment Period and (iii) pay in lieu of any vacation not used.

If within 12 months of a change of control of Acerus, Acerus terminates Mr. Gudaitis other than for cause or Mr. Gudaitis terminates his own employment for good reason, Mr. Gudaitis shall be entitled to a lump sum payment equal to: (i) 12 months’ salary, plus two additional months of salary for each year of active employment with Acerus, up to an aggregate maximum of 18 months (the “**Gudaitis Change of**

Control Payment Period”), (ii) the average of any bonus paid to Mr. Gudaitis in the last three years ending prior to the change of control, which average is to be divided by twelve and then multiplied by the number of months in the Gudaitis Change of Control Payment Period and (iii) pay in lieu of any vacation not used. In addition, in connection with a change of control of Acerus, all granted but unvested options of Mr. Gudaitis shall vest and be exercisable immediately prior to, but conditional upon, the completion of any change of control and Mr. Gudaitis benefits will be continued for the Gudaitis Change of Control Payment Period.

Mr. Gudaitis’ employment agreement also contains non-competition and non-solicitation provisions, each lasting during the term of his employment and for a period of one year following termination.

(b) Ken Yoon

Mr. Yoon is party to an executive employment agreement dated May 4, 2017.

Under the terms of such employment agreement, Mr. Yoon may terminate his own employment on 90 days’ written notice to Acerus and may be terminated by Acerus immediately for cause, or for reasons other than for cause on 12 months’ notice, plus one additional months’ notice for each year of active employment with Acerus, up to an aggregate maximum of 24 months. However, upon termination of Mr. Yoon without cause, Acerus may, in its sole discretion, in lieu of notice, pay to Mr. Yoon: (i) an amount equal to 12 months’ salary, plus one another month of base salary for each of active employment with Acerus, up to an aggregate maximum of 24 months of salary (the “**Yoon Termination Payment Period**”), (ii) an amount equal to the average of any bonus paid to Mr. Yoon in the last three years ending prior to the date of termination, which average is to be divided by twelve and then multiplied by the number of months in the Yoon Termination Payment Period and (iii) pay in lieu of any vacation not used.

If within 12 months of a change of control of Acerus, Acerus terminates Mr. Yoon other than for cause or Mr. Yoon terminates his own employment for good reason, Mr. Yoon shall be entitled to a lump sum payment equal to: (i) 12 months’ salary, plus two additional months of salary for each year of active employment with Acerus, up to an aggregate maximum of 24 months (the “**Yoon Change of Control Payment Period**”), (ii) the average of any bonus paid to Mr. Yoon in the last three years ending prior to the change of control, which average is to be divided by twelve and then multiplied by the number of months in the Yoon Change of Control Payment Period and (iii) pay in lieu of any vacation not used. In addition, in connection with a change of control of Acerus, all granted but unvested options of Mr. Yoon shall vest and be exercisable immediately prior to, but conditional upon, the completion of any change of control and Mr. Yoon’s benefits will be continued for the minimum period of time required by applicable employment standards legislation.

Mr. Yoon’s employment agreement also contains non-competition and non-solicitation provisions, each lasting during the term of his employment and for a period of one year following termination.

(c) Nathan Bryson

Dr. Bryson is party to an executive employment agreement dated January 20, 2014, as amended and restated on May 1, 2017.

Under the terms of such employment agreement, Dr. Bryson may terminate his own employment on 90 days’ written notice to Acerus and may be terminated by Acerus immediately for cause, or for reasons other than for cause on 12 months’ notice. However, upon termination of Mr. Bryson without cause, Acerus may, in its sole discretion, in lieu of notice, pay to Dr. Bryson: (i) an amount equal to 12

months' salary, (ii) an amount equal to the average of any cash bonus paid to Dr. Bryson in the last three years ending prior to the date of termination and (iii) pay in lieu of any vacation not used.

If within 12 months of a change of control of Acerus, Acerus terminates Dr. Bryson other than for cause or Dr. Bryson terminates his own employment for good reason, Dr. Bryson shall be entitled to a lump sum payment equal to: (i) 12 months' salary, (ii) the average of any bonus paid to Dr. Bryson in the last three years ending prior to the change of control and (iii) pay in lieu of any vacation not used. In addition, in connection with a change of control of Acerus, all granted but unvested options of Dr. Bryson shall vest and be exercisable immediately prior to, but conditional upon, the completion of any change of control and Dr. Bryson's benefits will be continued for the minimum period of time required by applicable employment standards legislation.

Dr. Bryson's employment agreement also contains non-competition and non-solicitation provisions, each lasting during the term of his employment and for a period of one year following termination.

(d) Tricia Symmes

Ms. Symmes is party to an executive employment agreement dated November 1, 2016.

Under the terms of such employment agreement, Ms. Symmes may terminate her own employment on 90 days' written notice to Acerus and may be terminated by Acerus immediately for cause, or for reasons other than for cause on 12 months' notice, plus one additional months' notice for each year of active employment with Acerus, up to an aggregate maximum of 24 months. However, upon termination of Ms. Symmes without cause, Acerus may, in its sole discretion, in lieu of notice, pay to Ms. Symmes: (i) an amount equal to 12 months' salary, plus one another month of base salary for each of active employment with Acerus, up to an aggregate maximum of 24 months of salary (the "**Symmes Termination Payment Period**"), (ii) an amount equal to the average of any bonus paid to Ms. Symmes in the last three years ending prior to the date of termination, which average is to be divided by twelve and then multiplied by the number of months in the Symmes Termination Payment Period and (iii) pay in lieu of any vacation not used.

If within 12 months of a change of control of Acerus, Acerus terminates Ms. Symmes other than for cause or Ms. Symmes terminates her own employment for good reason, Ms. Symmes shall be entitled to a lump sum payment equal to: (i) 12 months' salary, plus two additional months of salary for each year of active employment with Acerus, up to an aggregate maximum of 24 months (the "**Symmes Change of Control Payment Period**"), (ii) the average of any bonus paid to Ms. Symmes in the last three years ending prior to the change of control, which average is to be divided by twelve and then multiplied by the number of months in the Symmes Change of Control Payment Period and (iii) pay in lieu of any vacation not used. In addition, in connection with a change of control of Acerus, all granted but unvested options of Ms. Symmes shall vest and be exercisable immediately prior to, but conditional upon, the completion of any change of control and Ms. Symmes' benefits will be continued for the minimum period of time required by applicable employment standards legislation.

Ms. Symmes' employment agreement also contains non-competition and non-solicitation provisions, each lasting during the term of her employment and for a period of one year following termination.

(b) Philippe Savard

Mr. Savard is party to an amended and restated executive employment agreement dated May 1, 2017.

Under the terms of such employment agreement, Mr. Savard may terminate his own employment on 90 days' written notice to Acerus and may be terminated by Acerus immediately for cause, or for reasons other than for cause on 12 months' notice. However, upon termination of Mr. Savard without cause, Acerus may, in its sole discretion, in lieu of notice, pay to Mr. Savard: (i) an amount equal to 12 months' salary, (ii) an amount equal to the average of any cash bonus paid to Mr. Savard in the last three years ending prior to the date of termination and (iii) pay in lieu of any vacation not used.

If within 12 months of a change of control of Acerus, Acerus terminates Mr. Savard other than for cause or Mr. Savard terminates his own employment for good reason, Mr. Savard shall be entitled to a lump sum payment equal to: (i) 12 months' salary, (ii) the average of any bonus paid to Mr. Savard in the last three years ending prior to the change of control and (iii) pay in lieu of any vacation not used. In addition, in connection with a change of control of Acerus, all granted but unvested options of Mr. Savard shall vest and be exercisable immediately prior to, but conditional upon, the completion of any change of control and Mr. Savard's benefits will be continued for the minimum period of time required by applicable employment standards legislation.

Mr. Savard's employment agreement also contains non-competition and non-solicitation provisions, each lasting during the term of his employment and for a period of one year following termination.

Estimated Incremental Payment on Change of Control and/or Termination

The following table provides details regarding the estimated incremental payments by Acerus to the Named Executive Officers employed by Acerus, as at December 31, 2017 under the above-described agreements in the event of: (a) a "Change of control"; (b) termination without cause; and (c) termination with cause, assuming, in each case, that the event took place on December 31, 2017.

Name	Severance Period (# of months)	Triggering Event	Base Salary (Cdn.\$, except as noted)⁽¹⁾	Payment Under Option Plan (Cdn.\$)	Other Benefits (Cdn.\$)	Total (Cdn.\$, except as noted)
Ken Yoon, Chief Financial Officer	12 months	Termination Without Cause within 12 months of a Change of Control	\$260,000	\$145,250 ⁽²⁾	\$95,566 ⁽³⁾	\$500,816
	12 months	Termination Without Cause	\$260,000	Nil	\$95,566 ⁽⁵⁾	\$355,566
	0	Termination With Cause	Nil	Nil	Nil	Nil
Tricia Symmes, Chief Operating Officer	14 months	Termination Without Cause within 12 months of a Change of Control	\$275,000	\$161,250 ⁽⁴⁾	\$217,721 ⁽³⁾	\$653,971

Name	Severance Period (# of months)	Triggering Event	Base Salary (Cdn.\$, except as noted) ⁽¹⁾	Payment Under Option Plan (Cdn.\$)	Other Benefits (Cdn.\$)	Total (Cdn.\$, except as noted)
	13 months	Termination Without Cause	\$275,000	Nil	\$183,271 ⁽⁵⁾	\$458,271
	0	Termination With Cause	Nil	Nil	Nil	Nil
Nathan Bryson, Chief Scientific Officer	12 months	Termination Without Cause within 12 months of a Change of Control	\$260,000	\$337,750 ⁽⁶⁾	\$98,106 ⁽⁷⁾	\$695,856
	12 months	Termination Without Cause	\$260,000	Nil	\$98,106 ⁽⁷⁾	\$358,106
	0	Termination With Cause	Nil	Nil	Nil	Nil
Philippe Savard, Vice President, General Counsel and Corporate Secretary	12 months	Termination Without Cause within 12 months of a Change of Control	\$185,000	\$149,250 ⁽⁷⁾	\$68,621 ⁽⁷⁾	\$402,871
	12 months	Termination Without Cause	\$185,000	Nil	\$68,621 ⁽⁷⁾	\$253,621
	0	Termination With Cause	Nil	Nil	Nil	Nil

- (1) Based on employment agreements in effect as of the date of this Circular.
- (2) Unvested options held by Mr. Yoon as at December 31, 2017 had an exercise price of Cdn.\$0.11 and Cdn.\$0.12. The closing price of the Shares on the TSX on December 31, 2017 was Cdn.\$0.29. Accordingly, the “in the money” amount of any options held by Mr. Yoon that would have been accelerated upon the occurrence of a Liquidity Event occurring on December 31, 2017 was \$145,250.
- (3) Benefits include vacation owed through the change of control period, two additional months of salary for every year worked and an amount equal to average of any bonus paid to the individual in the last three years ending prior to the date of termination divided by twelve and then multiplied by the number of months in the change of control payment period.
- (4) Unvested options held by Ms. Symmes as at December 31, 2017 had an exercise price of Cdn.\$0.12 and Cdn.\$0.18. The closing price of the Shares on the TSX on December 31, 2017 was Cdn.\$0.29. Accordingly, the “in the money” amount of any options held by Ms. Symmes that would have been accelerated upon the occurrence of a Liquidity Event occurring on December 31, 2017 was \$161,250.
- (5) Benefits include vacation owed through the termination payment period, one additional month of salary for every year worked and an amount equal to average of any bonus paid to the individual in the last three years ending prior to the date of termination divided by twelve and then multiplied by the number of months in the termination payment period.
- (6) Unvested options held by Dr. Bryson as at December 31, 2017 had an exercise price of Cdn.\$0.10 and Cdn.\$0.12. The closing price of the Shares on the TSX on December 31, 2017 was Cdn.\$0.29. Accordingly, the “in the money” amount of any options held by Dr. Bryson that would have been accelerated upon the occurrence of a Liquidity Event occurring on December 31, 2017 was \$337,750.

- (7) Benefits include vacation owed through the severance payment period and an amount equal to average of any bonus paid to the individual in the last three years ending prior to the date of termination divided by twelve and then multiplied by the number of months in the severance payment period.
- (8) Unvested options held by Mr. Savard as at December 31, 2017 had an exercise price of Cdn.\$0.09 and Cdn.\$0.12. The closing price of the Shares on the TSX on December 31, 2017 was Cdn.\$0.29. Accordingly, the “in the money” amount of any options held by Mr. Savard that would have been accelerated upon the occurrence of a Liquidity Event occurring on December 31, 2017 was \$149,250.

Description of Incentive Plans

As of the date of this Circular, the only equity-based incentive plan of the Acerus business is the Stock Option Plan adopted by Shareholders pursuant to the management information circular of Acerus dated May 5, 2015 which is available on SEDAR at www.sedar.com. The following describes the Stock Option Plan, for which the Board retains a level of discretionary authority.

Stock Option Plan

The Stock Option Plan is administered by Acerus’ Board which may, from time to time, delegate to a committee of the Board or to the President and Chief Executive Officer of Acerus, all or any of the powers conferred to the Board under the Stock Option Plan.

The purpose of the Stock Option Plan is to allow full-time and salaried officers and employees of Acerus and certain other persons as may be determined by the Board from time to time to participate, through share ownership, in the growth of the business of Acerus and also to enhance Acerus’ ability to attract, retain and motivate key personnel and reward significant performance achievements.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to Directors, officers, employees, consultants and any other person or entity engaged to provide ongoing services to Acerus non-transferable options to purchase Shares, provided that the number of Shares reserved for issuance under the Stock Option Plan shall not exceed a number that is equal to 10% of the total issued and outstanding Shares from time to time. The exercise price of the options is determined on the date of grant provided that such price is not less than the volume-weighted average price of the Shares on the TSX for five trading days immediately preceding the date of grant. In addition, the number of Shares reserved for issuance to: (a) any one person shall not exceed 5%; (b) to the insiders or reserved for issuance to insiders of Acerus as a group, shall not exceed 10% (in aggregate or over any twelve-month period); and (c) to any one service provider to Acerus shall not exceed 2%, in each case of the issued and outstanding Shares. Subject to all regulatory policies, the Board fixes the vesting terms it deems appropriate when granting options.

Options granted under the Stock Option Plan typically are granted with a five year life. The term of options granted under the Stock Option Plan will typically be adjusted in circumstances of a participant’s resignation, retirement or termination of employment from Acerus or the death or disability of a participant, subject to various time periods for vesting and exercise of outstanding options. Additionally, upon the occurrence of certain liquidity events (as defined in the Stock Option Plan), all unvested options may be substituted by or replaced with options of the continuing entity, or the vesting of all such unvested options may be accelerated, as the Board of Directors determines in its sole discretion.

Except as otherwise set out in an option agreement between the optionee and Acerus relating to the grant of an option or as determined by the Board, an option is non-assignable.

Subject to the following exceptions and any resolution passed by the Board providing otherwise, all options held by an officer or employee of Acerus or any subsidiary of Acerus expire and terminate,

and any such employee or officer ceases to be eligible for receipt of options under the Stock Option Plan, immediately upon termination, death, disability or retirement. If the employment of an officer or employee terminates before the expiry of an option held by that person, such options (if exercisable) may, subject to the terms and conditions between any optionee and Acerus, be exercised as follows:

- (a) if the officer or employee is deceased, by the legal personal representative(s) of the estate of the officer or employee at any time during the one year following the death of the officer or employee;
- (b) if the termination of the employment of the officer or employee arises as a result of the disability or retirement of the officer or employee, by the officer or employee at any time during the one year period following the date of termination;
- (c) if the termination of the employment of the officer or employee arises as a result of a termination for cause or resignation of the officer or employee without good reason, by the officer or employee at any time during the 10-day period following the date of termination; or
- (d) in all other cases, by the officer or employee at any time during the 90-day period following the date of termination.

The termination provisions in the Stock Option Plan described above apply only to options held by officers and employees of Acerus or any subsidiary of Acerus. They do not apply to options held by the Directors or any other eligible participant under the Stock Option Plan.

The Stock Option Plan also provides that:

- (a) upon the surrender, termination or expiry of any options granted under the Stock Option Plan, without such options being exercised, or upon any exercise of any options granted, Shares subject to such options shall become available under the Stock Option Plan to satisfy future grants of new options under the Stock Option Plan; and
- (b) a holder of an option may, rather than exercise such option, elect a cashless exercise payable of such option in Shares equaling the amount by which the value of an underlying share at that time exceeds the exercise price of an option or warrant to acquire such share.

The Board may amend the Stock Option Plan from time to time without the Shareholders' approval except for amendments relating to:

- (a) the maximum number of Shares reserved for issuance under the Stock Option Plan;
- (b) a reduction in the exercise price for options held by insiders (as defined in the *Securities Act* (Ontario) and here, "**Insiders**");
- (c) an extension to the term of any option held by Insiders;
- (d) an increase in any limit on grants of options to Insiders; and
- (e) any amendment that is not necessary to ensure continuing compliance with applicable laws or of a "housekeeping" nature.

Security Based Award Burn Rate for the Last Three Years

Pursuant to TSX rules, Acerus is required to calculate and disclose the annual “burn rate” of its options and any other security based awards for the three most recently completed financial years. The annual burn rate is equal to the number of options and any other security based awards granted in the applicable year, divided by the weighted average number of Shares outstanding in that year, expressed as a percentage. Acerus’ average burn rate over the last three financial years is 3%.

Financial Year End	Burn Rate (%)
December 27, 2015	5%
December 26, 2016	3%
December 31, 2017	1%

Outstanding Share-Based Awards and Option-Based Awards Table

The following table sets out the value of all unexercised option-based and share-based awards for the Named Executive Officers outstanding as of December 31, 2017.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (Cdn.\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (Cdn.\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (Cdn.\$) (g)	Market or payout value of share-based awards not paid out or distributed (Cdn.\$) (h)
Tom Rossi ⁽¹⁾	340,200	\$0.87	January 2, 2018	Nil	Nil	Nil	Nil
	575,000	\$0.815	January 2, 2018	Nil	Nil	Nil	Nil
	705,000	\$0.75	January 2, 2018	Nil	Nil	Nil	Nil
	1,225,000	\$0.13	April 1, 2019	\$196,000	Nil	Nil	Nil
	2,000,000	\$0.12	April 1, 2019	\$340,000	Nil	Nil	Nil
	2,000,000	\$0.10	April 1, 2019	\$380,000	Nil	Nil	Nil
Luc Mainville ⁽²⁾	100,000	\$0.09	August 11, 2021	\$20,000	Nil	Nil	Nil
	200,000	\$0.12	November 9, 2020	\$34,000	Nil	Nil	Nil
	200,000	\$0.12	March 10, 2022	\$34,000	Nil	Nil	Nil
	500,000 ⁽³⁾	\$0.12	November 9, 2022	\$85,000	Nil	Nil	Nil
Tricia Symmes	500,000	\$0.18	November 4, 2021	\$55,000	Nil	Nil	Nil
	300,000	\$0.12	March 10, 2022	\$51,000	Nil	Nil	Nil
	325,000 ⁽³⁾	\$0.12	November 9, 2022	\$55,250	Nil	Nil	Nil
Nathan Bryson	150,000	\$0.815	March 10, 2019	Nil	Nil	Nil	Nil
	185,000	\$0.75	March 11, 2020	Nil	Nil	Nil	Nil

Option-based Awards					Share-based Awards		
Name (a)	Number of securities underlying unexercised options (#) (b)	Option exercise price (Cdn.\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (Cdn.\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (Cdn.\$) (g)	Market or payout value of share-based awards not paid out or distributed (Cdn.\$) (h)
	950,000	\$0.10	March 4, 2021	\$180,500	Nil	Nil	Nil
	600,000	\$0.12	March 10, 2022	\$102,000	Nil	Nil	Nil
	325,000	\$0.12 ⁽⁴⁾	November 9, 2022	\$55,250	Nil	Nil	Nil
Ken Yoon	500,000	\$0.11	June 1, 2022	\$90,000	Nil	Nil	Nil
	325,000 ⁽³⁾	\$0.12	November 9, 2022	\$55,250	Nil	Nil	Nil
Philippe Savard	300,000	\$0.09	August 11, 2021	\$60,000	Nil	Nil	Nil
	200,000	\$0.12	March 10, 2022	\$34,000	Nil	Nil	Nil
	325,000 ⁽³⁾	\$0.12	November 9, 2022	\$55,250	Nil	Nil	Nil

(1) Mr. Rossi is no longer an employee of Acerus as of October 2, 2017. All of Mr. Rossi's outstanding options vested on the date he ceased being an employee of Acerus. Of his total options outstanding, the life of 5,225,000 options were adjusted to expire April 1, 2019 with the remaining 2,070,200 options to expire in accordance with the terms of the Stock Option Plan (90 days from the date he ceased being an employee of Acerus - January 2, 2018).

(2) Mr. Mainville was appointed as Interim Chief Executive Officer on October 2, 2017.

(3) The vesting of this option grant was dependent on meeting specific corporate objectives. This option number reflects only the final amounts that vested on March 31, 2018. The remaining options in the tranche were cancelled.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the option-based, share-based and non-equity based incentive plan amounts vested or earned during the 2017 fiscal year.

Name	Option-based awards - Value vested during the year (\$) ⁽¹⁾	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$) ⁽²⁾
Luc Mainville	\$41,584	Nil	\$36,000
Tom Rossi	\$705,385 ⁽³⁾	Nil	Nil
Ken Yoon	Nil	Nil	\$40,878
Tricia Symmes	\$14,061	Nil	\$88,943
Nathan Bryson	\$46,332	Nil	\$50,055
Philippe Savard	\$15,401	Nil	\$39,177

(1) The closing price of the Shares on the TSX on December 31, 2017 was Cdn.\$0.29. The amounts listed represent "in the money" amount of any options held by individual that vested in fiscal 2017.

(2) In the event that the applicable Named Executive Officer is no longer employed by Acerus on the date that payment is otherwise required to be made, the amount shall not be paid to the applicable Named Executive Officer. Bonus amounts were paid on April 13, 2018.

(3) Mr. Rossi is no longer an employee of Acerus as of October 2, 2017. All of Mr. Rossi's outstanding options vested on the date he ceased being an employee of Acerus. The amount listed represents "in the money" amount of any options Mr. Rossi had outstanding as of December 31, 2017.

Equity Compensation Plan Information

The following table sets out the equity compensation plan information as at December 31, 2017:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders (options)	17,316,200	Cdn.\$0.23	3,995,664
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	17,316,200	Cdn.\$0.23	3,995,664

As at the date of this circular, 4,684,405 options remain available for issuance under the Stock Option Plan.

Termination and Change of Control Benefits

Except as described above under “*Executive Employment Agreements*”, there are no other change of control provisions or incentive plans that apply to the Named Executive Officers. However, in the event of a “Liquidity Event” (as defined in the Stock Option Plan), the Board may cause certain actions to be taken with respect to outstanding options, including the acceleration of any such options or the payment of the “in the money” amount in respect thereof. Further information with respect to such potential actions is set out in the Stock Option Plan, a copy of which is available on SEDAR at www.sedar.com.

Director Compensation

The table below sets out a summary of total compensation applicable to each serving Director in respect of the 2017 fiscal year. Mr. Rossi received no compensation for his service on the Board in 2017 due to his being an officer of Acerus during the relevant period.

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards (\$) ⁽¹⁾ (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Norma Beauchamp	\$26,952	Nil	\$12,255	Nil	Nil	Nil	\$39,207
Borys Chabursky	\$26,952	Nil	\$12,255	Nil	Nil	Nil	\$39,207
Stephen Gregory	\$26,952	Nil	\$12,255	Nil	Nil	Nil	\$39,207
Ian O. Ihnatowycz	\$38,504	Nil	\$12,255	Nil	Nil	Nil	\$50,759
Luc Mainville	\$20,214	Nil	\$12,255 ⁽²⁾	Nil	Nil	Nil	\$32,469
J. Mark Lievonon	Nil	Nil	\$42,731	Nil	Nil	Nil	\$42,731
Total	\$139,574	Nil	\$104,006	Nil	Nil	Nil	\$243,580

(1) Reflects only options issued to the Board in fiscal 2017.

(2) Reflects only options issued to Mr. Mainville prior to his start as interim CEO.

The independent Directors of Acerus (other than the Chairman) received a quarterly retainer fee of Cdn.\$8,750 for their services in 2017. The Chairman of the Board received a quarterly retainer of Cdn.\$12,500.

The quarterly payments described here represent full and total cash compensation for the independent Directors, other than Corporation-related expenses. No Directors receive any additional specific fees for attending Board or committee meetings.

Directors and officers of Acerus are covered by insurance in respect of liability that may be incurred by them acting in such capacity, unless the liability arises because such Director or officer fails to act honestly and in good faith with a view to the best interests of Acerus. See "*Directors' and Officers' Liability Insurance*".

Option Based Awards

The following table sets forth the details of all outstanding option-based awards for the Directors of Acerus as at December 31, 2017.

Option-based Awards					Share-based Awards		
Name (a)	Number of securities underlying unexercised options (#) (b)	Option exercise price (Cdn.\$) ⁽¹⁾ (c)	Option expiration date (d)	Value of unexercised in-the-money options (Cdn.\$) ⁽¹⁾ (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested ⁽¹⁾ (\$) (g)	Market or payout value of share-based awards not paid out or distributed (\$) (h)
Ian O. Ichnatowycz	25,000	\$0.41	November 6, 2018	Nil	Nil	Nil	Nil
	25,000	\$0.815	March 10, 2019	Nil	Nil	Nil	Nil
	25,000	\$0.75	March 11, 2020	Nil	Nil	Nil	Nil
	100,000	\$0.10	March 4, 2021	\$19,000	Nil	Nil	Nil
	200,000	\$0.12	March 10, 2022	\$34,000	Nil	Nil	Nil
Stephen Gregory	25,000	\$0.87	April 26, 2018	Nil	Nil	Nil	Nil
	25,000	\$0.815	March 10, 2019	Nil	Nil	Nil	Nil
	25,000	\$0.75	March 11, 2020	Nil	Nil	Nil	Nil
	100,000	\$0.10	March 4, 2021	\$19,000	Nil	Nil	Nil
	200,000	\$0.12	March 10, 2022	\$34,000	Nil	Nil	Nil
Borys Chabursky	100,000	\$0.10	March 4, 2021	\$19,000	Nil	Nil	Nil
	200,000	\$0.12	March 10, 2022	\$34,000	Nil	Nil	Nil
Luc Mainville	100,000	\$0.09	August 11, 2021	\$20,000	Nil	Nil	Nil
	200,000	\$0.12	November 9, 2020	\$34,000	Nil	Nil	Nil
	200,000	\$0.12	March 10, 2022	\$34,000	Nil	Nil	Nil
	500,000	\$0.12	November 9, 2022	\$85,000	Nil	Nil	Nil
Norma Beauchamp	100,000	\$0.10	March 4, 2021	\$19,000	Nil	Nil	Nil
	200,000	\$0.12	March 10, 2022	\$34,000	Nil	Nil	Nil
J. Mark Lievonen	200,000	\$0.36	March 10, 2022	Nil	Nil	Nil	Nil

(1) The closing price of the Shares on the TSX on December 31, 2017 was Cdn.\$0.29. The amounts listed represent “in the money” amounts.

Pension Plan Benefits

Acerus does not maintain any defined benefit pension plans or defined contribution pension plans.

Indebtedness of Directors, Officers and Employees

None of the Directors, executive officers or nominees for election as Directors of Acerus or their respective associates is, or at any time since the beginning of the most recently completed fiscal year has been, indebted to Acerus or any of its subsidiaries or is, or has been since the beginning of the most recently completed fiscal year, indebted to another entity where Acerus or any of its subsidiaries provided a guarantee, support agreement, letter of credit or other similar arrangement in connection with such debt. There was no indebtedness as at May 15, 2018 to Acerus or any of its subsidiaries, excluding routine indebtedness, owing by present and former officers, present Directors or nominees for election, or employees of Acerus and any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Board is currently comprised of seven Directors, and will immediately following the Meeting, be comprised of six Directors. The Board has concluded that five of the proposed six Directors (Messrs. Ihnatowycz, Chabursky, Gregory, Lievonen and Ms. Beauchamp) are independent from the management of Acerus for the purposes of National Instrument 58-101 – *Corporate Governance*.

Except for Mr. Ihnatowycz, who exercises control or direction over the Shares held by First Generational Capital Inc., none of the Directors have a material relationship with any “control person” of Acerus. Consequently, all of the proposed Directors except for Mr. Ihnatowycz are independent of any such “control persons”.

Mr. Gudaitis is not considered to be “independent” within the meaning of applicable securities laws as a result of his position as President and Chief Executive Officer of Acerus.

Mandate of the Board of Directors

The Board assumes explicit responsibility for the stewardship of the Acerus business directly and through its committees. The responsibilities of the Board and each committee of the Board are set out in written charters, which are reviewed and approved annually. The charter of the Board is provided at Schedule A of this Circular. In fulfilling its mandate, the Board is, among other matters, responsible for the following:

- reviewing and approving the overall business, objectives, strategies and operational plans;
- appointing the Chief Executive Officer and other senior officers and reviewing succession planning;
- assessing management’s performance against approved business, objectives, plans and industry standards;
- monitoring principal risks of the business of Acerus, including review of management’s systems for risk management and identification of any material deficiencies in such systems;
- reviewing and approving the reports issued to Shareholders, including annual and interim financial statements;
- reviewing and approving all material transactions not in the ordinary course of business;
- ensuring the effective operation of the Board; and

- safeguarding Shareholders' equity interests through the optimum utilization of the Acerus business' capital resources.

Meetings of the Board of Directors

The Board meets at least once each quarter, with additional meetings held when appropriate. Meetings of the Board may be held by teleconference or other electronic means, as needed to discharge its responsibilities.

Independent Directors are provided the opportunity to meet *in camera* without non-independent Directors or management present in conjunction with every in-person meeting of the Board.

Board members are expected to attend all Board meetings and meetings of committees on which they serve. During the year ended December 31, 2017, the Directors serving on the Board as at December 31, 2017 had the following attendance record at Board and committee meetings (attendance figures are shown only for those meetings where the relevant Director served on the Board and/or applicable committee):

Director	Board Meetings Attended	Audit Committee Meetings Attended	Corporate Governance and Nominating Committee Meetings Attended	Compensation Committee Meetings Attended	Executive Committee Meetings Attended	Total
Ian O. Ihnatowycz	5 (100%)	N/A	N/A	N/A	1 (100%)	6 (100%)
Norma Beauchamp	4 (80%)	3 (75%)	3 (75%)	N/A	1 (100%)	11 (79%)
Borys Chabursky	5 (100%)	N/A	3 (75%)	4 (100%)	1 (100%)	13 (93%)
Stephen Gregory	5 (100%)	4 (100%)	4 (100%)	4 (100%)	1 (100%)	18 (100%)
Luc Mainville	5 (100%)	3 (100%)	N/A	3 (100%)	1 (100%)	12 (100%)
J. Mark Lievonen ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Mr. Lievonen was appointed to the Board on December 6, 2017 and there were no meetings of the Board or of any committees of the Board between December 6, 2017 and December 31, 2017.

Selection of New Board of Directors Members

The Corporate Governance and Nominating Committee of the Board has established procedures for the identification and nomination of new Directors. When required, the Directors, assisted by the Corporate Governance and Nominating Committee, consider what skills and competencies the Board as a whole should possess to be effective to Acerus' business. The results of this assessment are then compared to the inventory of skills and competencies found in the existing Directors. The Corporate Governance and Nominating Committee would select suitable candidates for interviews and subsequently recommend them to the Board for consideration.

Of the six proposed candidates for election to the Board, one (16.7%) is female. The Board has not adopted a written policy relating to the identification and nomination of female directors, although it has historically followed, and intends to continue to follow, a process of identifying and assessing potential director nominee candidates with the necessary competencies, independence, expertise, skills, background and personal qualities that are being sought in a potential member of the Board. The Board does not specifically consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. However, the Board does follow a selection and screening process to ensure that the requisite elements of integrity, diversity, knowledge, skill, experience and judgment are the hallmarks of Board members.

The Board does not specifically consider the level of representation of women in executive officer positions when making executive officer appointments and have not adopted a target regarding women in executive officer positions, but rather generally seek appropriate executive officer candidates who possess the necessary competencies, expertise and skills for the position to be filled. As of the date of this Circular, one of the executive officers of the Corporation is female.

Independence of Board of Directors

The by-laws of Acerus provide that a majority of the members of the Board will be independent of Acerus and any “control person” (as such term is defined under applicable securities laws). Any amendment to this provision of the by-laws will require the approval of a majority of Acerus’ Shareholders that are not “control persons”.

The independence of the Board from management will be supported through the following practices:

- The independent Directors are provided an opportunity to meet *in camera* without management present in conjunction with every in-person meeting of the Board; and
- The Audit Committee will maintain a whistle blowing policy.

Position Descriptions

Charters and position descriptions have been developed for the Board and committees, the Board chair, chairs of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, and the President the Chief Executive Officer.

The responsibilities of the Chairman of Acerus include leadership of the Board and its efficient organization and operation. The Chairman is also responsible for ensuring that effective communication exists between the Board and management and that the Board is informed about the business of Acerus.

Each committee chair is responsible for the effective organization and operation of the relevant committee he/she chairs and is required to provide leadership in discharging the mandate set out in the committee charter. The chair also acts as primary liaison between the relevant committee and Acerus’ management where necessary. The chair of each committee reports directly to the Board.

Orientation and Education

The Corporate Governance and Nominating Committee develops, recommends and oversees the Board’s orientation program for new Directors. This program is designed to assist new directors to understand the role of the Board and its committees, the contribution individual Directors are expected to make to Acerus (including the commitment of time and energy that Acerus expects) and the nature and

operation of Acerus' business. In addition, new Directors are oriented to the roles of the Board and individual Directors and the business and affairs of Acerus through discussions with Acerus' management and the incumbent Directors by periodic presentations from senior management on major business, industry and competitive issues. Management provides information to the Board and its committees as necessary to keep the Directors up-to-date with corporate governance requirements and best practices, Acerus and its business and the environment in which it operates, as well as developments in the responsibilities of Directors.

As well, the Corporate Governance and Nominating Committee oversees the Board's continuing education program which was developed to assist Directors in maintaining or enhancing their skills and abilities as Directors and updating their knowledge and understanding of Acerus and the pharmaceutical industry.

Code of Conduct

The Board has adopted a written Code of Conduct (the "Code") that has been adopted by, or is applicable to, all Directors, officers and employees of Acerus and its subsidiaries. The Code constitutes written standards that are designed to promote integrity and to deter wrongdoing. In particular, the Code addresses the following issues:

- conflicts of interest;
- outside business activities and other employment;
- gifts and entertainment;
- corporate opportunities;
- fair dealing;
- protection and proper use of Acerus assets;
- compliance with laws, rules and regulations (including insider trading laws);
- confidentiality;
- fraud; and
- harassment and discrimination.

A copy of the Code is available on SEDAR at www.sedar.com.

Each person to whom the Code is applicable must sign an acknowledgement to Acerus indicating that he or she is responsible for complying with the Code and that he or she will report any instance of non-compliance with the Code. The Board is required to review and, if necessary, revise and update the Code on an annual basis. Any waiver of the Code for executive officers or Directors of Acerus may only be made by the Board or a committee of the Board and must be promptly disclosed to Shareholders. All new Directors, officers and employees of Acerus and any subsidiaries are advised of the Code and its importance and the Code is brought to the attention of all employees on an annual basis.

Acerus is established under and is therefore governed by the provisions of the OBCA. Pursuant to the OBCA (and as confirmed in the Code), a Director or officer of Acerus must disclose in writing or by

requesting that it be entered in the minutes of meetings of the Board, the nature and extent of any interest that he or she has in material contract or material transaction, whether made or proposed, with Acerus, if the Director or officer: (a) is a party to the contract or transaction; (b) is a Director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. The interested Director cannot vote on any resolution to approve the contract or transaction, subject to certain limited exceptions.

Standing Committees of the Board of Directors

The Board maintains three standing committees: Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. Additionally, from time to time, the Board may establish ad hoc committees to consider certain limited matters or transactions.

Audit Committee

The Audit Committee is mandated to assist the Board in fulfilling applicable public company obligations respecting audit committees and its oversight responsibilities with respect to financial reporting. It is responsible for overseeing, among other matters, the work of Acerus' external auditors, the integrity of Acerus' financial statements, Acerus' compliance with legal and regulatory requirements, the qualifications and independence of Acerus' external auditors, the effectiveness of Acerus' internal controls and the performance of Acerus' external auditors. The Audit Committee must review and recommend to the Board Acerus' annual and interim consolidated financial statements and related MD&A and other material public financial disclosure for approval before they are released to the public or filed with the appropriate regulators. The Audit Committee annually reviews its charter and recommends changes to the Board with respect to the charter, as necessary. A copy of the charter of the Audit Committee was included in the Annual Information Form of Acerus dated March 20, 2018 and available on SEDAR at www.sedar.com.

In accordance with National Instrument 52-110 – *Audit Committees*, the Audit Committee will from time to time implement and oversee procedures for the receipt, retention and treatment of complaints received by Acerus regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. In this regard, Acerus has established a Whistleblower Policy outlining such confidential reporting process.

For a discussion of Audit Committee oversight, non-reliance on certain exemptions and pre-approval policies and procedures, please refer to Acerus' Annual Information Form dated March 20, 2018 and available on SEDAR at www.sedar.com

Composition and Relevant Education/Experience of Members

The Audit Committee is presently chaired by J. Mark Lievonen and the other committee members are Stephen Gregory and Norma Beauchamp. All of the Audit Committee members are independent of management of Acerus as required by National instrument 52-110 – *Audit Committees* and each member is financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Acerus' financial statements.

For a discussion of the members' relevant education or experience as related to the Audit Committee, please refer to the biographies of each member of the Audit Committee as provided in "Election of Directors" above.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of three members, all of whom are independent Directors for purposes of National Instrument 58-101 – *Corporate Governance*. The Corporate Governance and Nominating Committee is presently chaired by Norma Beauchamp and the other committee members are Borys Chabursky and Stephen Gregory. The Corporate Governance and Nominating Committee is responsible for both overseeing and making recommendations to the Directors of Acerus regarding its approach to both corporate governance issues as well as the enhancement of Acerus' governance through ongoing assessments.

The Corporate Governance and Nominating Committee also reviews and assesses the effectiveness of the Board as a whole, identifies individuals qualified to become Directors, reviews, in consultation with the Chairman of Acerus, proposed nominees and recommends such individuals to the Board for nomination for election to the Board. The Corporate Governance and Nominating Committee also reviews and assesses, on a periodic basis, the performance and contribution of individual Directors of Acerus and makes recommendations concerning the compensation of Directors.

The committee conducts an annual review of its mandate and charter and recommend changes to the Board with respect to such mandate and charter, as necessary.

Compensation Committee

The Compensation Committee is comprised of three members, all of whom are independent for purposes of National Instrument 58-101 – *Corporate Governance*. The Compensation Committee is chaired by Stephen Gregory and the other committee members are J. Mark Lievonen and Borys Chabursky. The Compensation Committee oversees Acerus' compensation plans, discharges the Board's responsibilities relating to compensation, approves and monitors insider trading and share ownership policies, reviews compensation disclosure in public documents and produces such information and reviews and makes recommendations on executive compensation. The committee also assists the Board with establishing Acerus' compensation framework and with succession planning.

As part of its oversight of the implementation of Acerus' compensation plans, the Compensation Committee reviews and makes recommendations to the Board with respect to the adoption or amendment of incentive compensation and equity compensation plans. The Compensation Committee also approves the compensation of certain senior executives and reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer by evaluating the Chief Executive Officer's performance and determines and approves the Chief Executive Officer's compensation level.

The Compensation Committee conducts an annual review of its mandate and charter and recommends changes to the Board with respect to such mandate and charter, as necessary.

Board of Directors, Committee and Director Evaluation

On an annual basis, the Board adopts a process based on the recommendation of the Corporate Governance and Nominating Committee for assessing the performance and effectiveness of the Board, its committees and the individual Directors. In order to facilitate this, the Corporate Governance and Nominating Committee is responsible for developing and recommending to the Board a process for assessing these criteria that considers the solicitation and receipt of comments from any Directors, the Board's written charter, the applicable position descriptions for each individual Directors and for the chairs of the Board and each committee of the Board and the competencies and skills each Director is expected to bring to the Board.

Each individual committee and the Board, in the assessment process overseen by the Corporate Governance and Nominating Committee (as described above), must assess its own performance and that of the individual Directors of which each is comprised as well as each committee's own respective charter.

Disclosure Committee

The Disclosure Committee is established by the Chief Executive Officer and is comprised of certain senior officers of Acerus who are the most familiar with Acerus' operations or who have specific experience in this area. The current members of the Disclosure Committee as at the date of this Circular are Edward Gudaitis, Ken Yoon, Tricia Symmes and Philippe Savard. The Disclosure Committee oversees Acerus' disclosure practices in compliance with applicable law and regulations and with the disclosure policy adopted by the Board and determines when business developments justify public disclosure.

Corporate Disclosure Policy

The Board has adopted a Corporate Disclosure Policy that is designed to promote consistent disclosure practices aimed at informative, timely and broadly disseminated disclosure of material information to the public in accordance with all applicable legal, regulatory and TSX requirements. It is applicable to all Directors, officers and employees of Acerus. The Corporate Disclosure Policy prohibits the selective disclosure of material information regarding Acerus or its business and gives the Disclosure Committee ultimate responsibility for determining when developments justify public disclosure.

Whistleblowing Policy

The Board has adopted a Whistleblowing Policy which allows for the receipt, retention and treatment of complaints regarding all matters other than accounting, internal accounting controls or auditing matters (which are the subject of a separate whistleblowing policy administered by the Audit Committee). The policy prohibits Acerus from discharging, demoting, suspending, threatening, harassing or in any manner discriminating against any employee based upon lawful actions of such employee for good faith reporting of concerns or complaints regarding matters covered by the policy.

Insider Trading Policy

The Board has adopted an Insider Trading Policy that is designed to promote honest, ethical and lawful conduct with respect to trading in the outstanding securities of Acerus by directors, officers, employees and their families of Acerus and its subsidiaries. The policy applies to any and all transactions in the securities of Acerus, including its common shares, preferred shares, options and any type of security that Acerus may issue in the future.

TSX Listing Requirements

In addition to the standard listing eligibility requirements imposed on every company listed for trading on the TSX, the TSX has imposed further conditions on Acerus' listing on the TSX in connection with the previously disclosed Ontario Securities Commission sanctions imposed on Mr. Eugene Melnyk as described in certain previous disclosure documents of Acerus available on SEDAR at www.sedar.com.

Pursuant to these conditions, at all times the majority of the Directors of Acerus must be independent from both Acerus and any "control person" of Acerus (as such term is defined in applicable securities laws). Acerus has embedded this requirement in its by-laws and any amendment to this by-law can only be made if it is approved by a majority of the minority Shareholders, as described in "*Independence of Board of Directors*". Additionally, Acerus must have a majority of independent Directors

having TSX, New York Stock Exchange, Nasdaq or equivalent public company experience, at all times.

As described above, Acerus has complied with each of these requirements.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Acerus annually renews and purchases insurance coverage for Directors' and officers' liability. The current term (June 30, 2017 to June 30, 2018) premium of approximately Cdn.\$151,123 covers Directors' and officers' liability for a limit of \$25.1 million. The policy provides for deductibles ranging from \$0 to \$95,000 depending upon the nature of the claim. There is no deductible for any claim made by a Director or officer when indemnification has not been granted. This premium is paid entirely by Acerus.

GENERAL PROXY MATTERS

Voting in Person at the Meeting

A Registered Shareholder (or a proxyholder duly appointed thereby), or a beneficial owner who has appointed themselves to represent them at the Meeting, will appear on a list of Shareholders prepared by TSX Trust Company, the registrar and transfer agent for purposes of the Meeting. To vote in person at the Meeting, each Registered Shareholder or appointee will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered beneficial shareholders must appoint themselves as a proxyholder to vote in person at the Meeting. Also see "*Non-Registered Holders*" below.

Solicitation of Proxies

The information contained in this Circular is furnished to Shareholders in connection with the solicitation of proxies to be used at the Meeting. The solicitation of proxies by this Circular is being made by or on behalf of the management of Acerus and the total cost of the solicitation will be borne by Acerus. The solicitation of proxies will be primarily by mail, but may also be in person or by telephone, fax or oral communication without special compensation by officers or employees of Acerus. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals or beneficial owners and to obtain authorizations for the execution of proxies. Acerus will reimburse these banks, brokerage houses and other custodians and nominees or fiduciaries for the cost incurred in obtaining authorization to execute forms of proxy from their principals or beneficial owners.

Appointment of Proxies

The persons named in the enclosed form of proxy are officers of Acerus. A Shareholder has the right to appoint a person or company of its choice who need not be a Shareholder to represent such Shareholder at the Meeting other than the persons designated in the enclosed form of proxy. A Shareholder giving a proxy can strike out the names of the nominees printed in the accompanying form of proxy and insert the name of another nominee in the space provided, or the Shareholder may complete another form of proxy. A proxy nominee need not be a shareholder of Acerus.

If a Registered Shareholder cannot attend the Meeting but wishes to vote on the resolutions, the Registered Shareholder should complete, sign and return the enclosed form of proxy to Acerus' registrar and transfer agent, TSX Trust Company, 100 Adelaide St W, Suite 301, Toronto ON M5H 4H1 or fax to TSX Trust Company at 416-595-9593 or deposit by hand with TSX Trust Company, 100 Adelaide St W, Suite 301, Toronto ON M5H 4H1, and must be deposited with TSX Trust Company by no later than 11:00

a.m. (Toronto time) on June 26, 2018 or with the Chairman of the Meeting before the commencement of the Meeting, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, proceeding the time of such adjourned or postponed Meeting or with the Chairman of the Meeting before the commencement of such adjourned or postponed Meeting. Notwithstanding the foregoing, the Chairman of the Meeting has the discretion to accept proxies after such deadline. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her own discretion, without notice.

If a Shareholder who has completed a proxy attends the Meeting in person, any votes cast by such Shareholder on a poll will be counted and the proxy will be disregarded.

Non-Registered Holders

Only registered holders of Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (1) in the name of an intermediary that the Non-Registered Holder deals with in respect of the Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of registered plans; or
- (2) in the name of a depository (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, Acerus will be distributing copies of the Notice, this Circular, the accompanying form of proxy and Acerus’ annual financial statements and MD&A (collectively, the “**Meeting Materials**”) to the depository and intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will receive a voting instruction form. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Shareholder’s behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms sent by Broadridge may, in some cases, permit the completion of the voting instruction form by telephone. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Shareholder’s behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder.

Non-Registered Holders should follow the instructions on the forms they receive and contact their intermediaries promptly if they need assistance.

Revocation

A Registered Shareholder who has given a proxy may revoke the proxy:

- (1) by completing and signing a form of proxy bearing a later date and depositing it with TSX Trust Company as described above; or
- (2) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or by electronic signature: (i) at the registered office of Acerus addressed to the Vice President, General Counsel and Corporate Secretary at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting; or
- (3) in any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote that is not received by the intermediary at least seven days prior to the Meeting.

Voting of Proxies

The shares represented by any valid proxy in favour of the nominees named in the accompanying form of proxy will be voted for or withheld from voting (or voted against, where applicable) with any specific instructions made by a shareholder on the form of proxy. **In the absence of any such specific instructions, such shares will be voted by the nominees named in this Circular FOR the election as Directors of the management nominees named in this Circular, FOR the re-appointment of PricewaterhouseCoopers LLP as Auditor, FOR the ratification of unallocated entitlements under the Share Option Plan and FOR the amendments to the Stock Option Plan.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to such other business or matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, Acerus is not aware of any such amendments or variations or any other matters to be addressed at the Meeting.

Non-Objecting Beneficial Owners

These Meeting Materials are being sent to both registered and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and Acerus or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, Acerus (and not the intermediary holding on your behalf) has assumed responsibility for: (a) delivering these materials to you; and (b) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting delivered to you.

Record Date

The record date for determining Shareholders entitled to receive notice of and vote at the Meeting is May 15, 2018. Shareholders of record as at the close of business on such date will be entitled to attend and vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Circular.

Voting Shares, Voting Rights and Quorum

As of May 15, 2018, there were 213,193,642 Shares issued and outstanding. Shareholders of record on May 15, 2018 are entitled to receive notice of and vote at the Meeting. Each Share entitles the holder to one vote at all meetings of Shareholders.

Pursuant to the by-laws of Acerus, a quorum is present at the Meeting if two or more individuals present in person either holding personally or representing as proxies not less than 25% of the votes attached to all outstanding Shares.

Principal Shareholders

The following table sets forth information with respect to the only shareholders to the knowledge of the Directors or executive officers, and as of the date of this Circular, who beneficially own, control or direct, directly or indirectly, Shares carrying more than 10% of the voting rights attached to any class of issued and outstanding voting securities as at May 15, 2017:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
First Generation Capital Inc. (Mr. Ian Ihnatowycz)	102,518,784	48.09%

ADDITIONAL INFORMATION

Additional information relating to Acerus is available on SEDAR at www.sedar.com. Financial information relating to Acerus is provided in Acerus' consolidated financial statements and MD&A for the year ended December 31, 2017. A comprehensive description of Acerus and the Acerus business as well as a summary of risk factors applicable to Acerus and the Acerus business are set out in Acerus' latest available AIF and latest available MD&A. Copies of the AIF, Acerus' most recently filed annual consolidated financial statements, together with the accompanying report of the Auditor, and any interim consolidated financial statements of the issuer that have been filed for any period after the end of Acerus' most recently completed fiscal year, annual and interim MD&A and this circular are available to anyone, upon request, from the Chief Financial Officer of Acerus at 2486 Dunwin Drive, Mississauga, Ontario, L5L 1J9, and without charge to Shareholders, and are also available on the Acerus' website and SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The contents of this Circular and its sending to Shareholders have been approved by the Directors.

By Order of the Board of Directors of Acerus Pharmaceuticals Corporation

("Signed") Edward Gudaitis

Edward Gudaitis
President and Chief Executive Officer
Acerus Pharmaceuticals Corporation
Mississauga, Ontario

May 15, 2018

Schedule A

ACERUS PHARMACEUTICALS CORPORATION

("Acerus")

CHARTER OF THE BOARD OF DIRECTORS

General

In accordance with applicable laws and the by-laws of Acerus, the Board of Directors is responsible for the stewardship of Acerus, and shall always act with a view to the best interests of Acerus. In furtherance of this mandate, the Board of Directors has adopted this form of written mandate. The Board of Directors shall periodically review and, if necessary, revise this mandate from time to time in order to meet Acerus' needs and satisfy any applicable legal or regulatory requirements and/or other best practices.

Duties and Responsibilities

In furtherance of its obligations, the Board of Directors shall be responsible for, among other things, the following:

- facilitating the relationship of the Board of Directors (including, as necessary, the independent directors thereof on a separate basis) to management and confirming that Acerus has appropriate structures and procedures in place to permit the Board of Directors to effectively discharge its duties and responsibilities;
- selecting, appointing, evaluating and, if necessary (taking into account any recommendations of the corporate governance and nominating committee with respect to any succession plan), changing the Chief Executive Officer of Acerus;
- together with the President and Chief Executive Officer, defining the duties and the limits of authority of senior management of Acerus, including the development of a position description for the President and Chief Executive Officer;
- to the extent feasible, satisfying itself as to the integrity of the President and Chief Executive Officer and other members of senior management, and that the President and Chief Executive Officer and other members of senior management create a culture of integrity throughout Acerus;
- adopting a strategic planning process and approving on a periodic basis a strategic plan that takes into account the opportunities and risks of the business of Acerus;
- identifying the principal risks of Acerus' business and ensuring the implementation of appropriate systems to manage these risks;
- receiving recommendations of Acerus' Audit Committee respecting, and reviewing and approving, the audited, interim and any other publicly announced financial information of Acerus;
- ensuring policies are in place to satisfy itself as to Acerus' internal control and management information systems and its financial reporting;
- ensuring appropriate policies and processes are in place to ensure Acerus' compliance with applicable laws and regulations;
- assessing the effectiveness of the board and any committees of the Board of Directors;
- taking into account any recommendations of the corporate governance and nominating committee of the Board of Directors, reviewing and considering any governance practices of the Board of Directors (including consideration of whether such practices differ from those recommended by Canadian securities regulators or stock exchanges);

- taking into account any recommendations of the compensation committee of the Board of Directors implementing a process for reviewing the adequacy and form of compensation of directors, and ensuring that compensation realistically reflects the responsibilities and risk involved in being a director;
- adopting a communications policy for Acerus and implementing and overseeing a mechanism pursuant to which the Board of Directors can receive feedback from securityholders of Acerus; and
- other corporate decisions required to be made by the Board of Directors, or as may be reserved by the Board of Directors, to be made by itself, from time to time and not otherwise delegated to a committee of the Board of Directors or to management.

Expectations of Directors

In accordance with all applicable laws, directors are expected to: (a) act honestly and in good faith with a view to the best interests of Acerus; and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Further, it is expected that directors will comply with all duties of honesty, care, diligence, skill and prudence, as well as any other duties imposed on directors at law.

In accordance with these duties, each director is expected to:

- develop and maintain a thorough understanding of Acerus' business, its strategy and business operations and its financial position and performance;
- prepare for each Board of Directors or committee meeting, including reviewing all meeting materials distributed in advance where feasible;
- attend meetings of the Board of Directors and any committee of which they are a member;
- actively and constructively participate in each meeting, including seeking clarification from management and outside advisors, where necessary, to fully understand the issues under consideration and to contribute relevant insights and experience;
- in accordance with applicable law disclose to Acerus, either in writing or by having it entered into the minutes of a meeting of the board, the nature and extent of any interest that they may have in a contract or transaction, whether made or proposed, with Acerus, if the director (i) is a party to the contract or transaction, (ii) is a director or member of senior management or individual acting in a similar capacity of a party to the contract or transaction, or (iii) has a material interest in a party to the contract or transaction;
- engage in continuing education programs for directors if appropriate; and
- exhibit high standards of personal integrity, honesty and loyalty and project a positive image of Acerus to news media, the financial community, governments and their agencies, shareholders and employees.

Board Composition

The Board of Directors shall strive to ensure that the directors represent an appropriate mix of skills, experience, age, expertise and other factors. Composition of the Board of Directors should reflect business experience and skills that are compatible with the strategic and business objects of Acerus.

Board Chair

In accordance with Acerus' by-laws, the directors shall select a chair of the Board of Directors from time to time. The responsibilities of such chair shall be in accordance with a position description established by the Board of Directors from time to time. In the event that the selected chair is not independent of Acerus, the Board of Directors shall consider appropriate measures to ensure that the views of the

independent directors are considered and communicated to the chair and/or members of management (such measures may include the appointment of a “lead” independent director).

Board Committees

The Board of Directors shall at all times maintain an Audit Committee comprised entirely of directors that are independent and financially literate. The Board of Directors may also establish such standing and/or *ad hoc* committees as it believes prudent from time to time.

Each standing committee of the Board of Directors shall be subject to a charter setting out its responsibilities, duties, qualifications for members and reporting to the Board of Directors. From time to time, each committee and the Board of Directors shall review the respective charters to determine if any changes are advisable.

Meetings

It is the standard practice of the Board of Directors to hold a meeting (together with a meeting of each of the standing committees of the Board of Directors) on a quarterly basis. Additional meetings may also be called upon proper notice (in accordance with Acerus’ bylaws) to address specific matters. While the Board of Directors shall generally strive to operate by way of meetings at which a thorough discussion of the applicable matters can occur, the Board of Directors may from time to time take action by way of unanimous written resolution.

At each in person meeting of the Board of Directors, the independent directors shall be entitled to request that an *in camera* session excluding: (a) any management or other attendees invited to the applicable meeting; and (b) any non-independent directors. Following any such meeting, the Board of Directors shall promptly inform management to the extent any action is required.

Access to Management and Outside Advisors

Directors shall have access to members of senior management and are encouraged to raise any questions or concerns directly with senior management. The Board of Directors and its committees may invite any member of senior management, outside advisor or other person to attend any of their meetings.

The Board of Directors and any of its committees may retain an outside advisor at the expense of Acerus at any time and have the authority to determine the advisor’s fees and other retention terms. Individual directors may retain an outside advisor at the expense of Acerus with the approval of the Board of Directors.

Performance Assessment

On an annual basis, the Board of Directors shall assess how well it has performed the responsibilities and duties set out in this mandate.

Matters Requiring Board Approval

Approval of the Board of Directors shall be required for, among other things:

- dividends/distributions;
- significant acquisitions/dispositions;
- related party transactions;
- the release of any financial information to be publicly disseminated;
- the issuance or repurchase of shares or other securities of Acerus;

- such matters as are required under the investment policies of Acerus;
- the terms of reference of committees of the board;
- any other matter that would give rise to a “material change” to Acerus; and
- any other matters which the Board of Directors is required to approve in accordance with applicable laws.

The foregoing list is intended to specify particular matters requiring board approval and is not intended to be an exhaustive list.

Code of Business Conduct and Ethics

The Board of Directors will adopt a Code of Business Conduct and Ethics for Acerus having regard to the recommendations of the corporate governance and nominating committee.

The Board of Directors will direct the corporate governance and nominating committee (or such other committee as may be designated from time to time) to monitor compliance with the Code of Business Conduct and Ethics and recommend disclosures with respect thereto. The Board of Directors will consider any report of the corporate governance and nominating committee concerning these matters, and will approve, if determined appropriate, the disclosure of the Code of Business Conduct and Ethics.

The Board shall consider any report of the corporate governance and nominating committee with respect to any waiver granted to a director or senior officer of Acerus from complying with the Code of Business Conduct and Ethics and shall approve or reject such request as it deems appropriate.

Schedule B

UNALLOCATED ENTITLEMENTS RESOLUTION

WHEREAS

1. the Shareholders adopted on May 5, 2015, the Stock Option Plan which provides that the number of Shares reserved for issuance under the Stock Option Plan shall not exceed a number that is equal to 10% of the total issued and outstanding Shares from time to time; and
2. the rules of the Toronto Stock Exchange provide that all unallocated options under the Share Option Plans that do not have a fixed maximum number of shares issuable be approved every three years.

BE IT RESOLVED as a resolution of the Shareholders of Acerus that:

1. all unallocated options under the Stock Option Plan be and the same are hereby approved;
2. Acerus has the ability to continue granting options under the Stock Option Plan until June 28, 2021, that is until the date that is three years from the date where shareholder approval is being sought; and
3. any director or officer of Acerus be, and he or she is hereby authorized and directed, on behalf of Acerus, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution.

Schedule C

AMENDED STOCK OPTION PLAN RESOLUTION

BE IT RESOLVED as a resolution of the Shareholders of Acerus that:

1. Acerus be and is hereby authorized to amend its Stock Option Plan to amend various provisions of the Stock Option Plan in order to comply with the rules, policies, instruments and notices of any regulatory authority to which Acerus is subject, including the TSX, or to otherwise comply with any applicable law or regulation; and
2. any director or officer of Acerus be, and he or she is hereby authorized and directed, on behalf of Acerus, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution.

Schedule D

AMENDED STOCK OPTION PLAN

(See Attached)

~~TRIMEL~~ACERUS PHARMACEUTICALS CORPORATION
AMENDED AND RESTATED 2015 STOCK OPTION PLAN

ARTICLE 1
GENERAL

1.1 Purpose of Plan

The purpose of the Plan is to allow full -time and salaried officers and employees of ~~Trimel~~Acerus or its Subsidiaries and certain other persons as may be determined by the Board from time to time to participate, through share ownership, in the growth of the business of ~~Trimel~~Acerus and also to enhance ~~Trimel's~~Acerus' ability to attract, retain and motivate key personnel and reward significant performance achievements.

1.2 Defined Terms

The following terms shall have the meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

"Acerus" or the "Corporation" means Acerus Pharmaceuticals Corporation, a corporation organized under the laws of Ontario, and includes any successor company thereto;

"affiliate" has the same meaning as "affiliated companies" in the *Securities Act* (Ontario), as amended from time to time, and shall also include those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

"arm's length" has the meaning given to that term in the *Income Tax Act* (Canada), as now in effect;

"associate" has the meaning given to that term in the *Securities Act* (Ontario), as amended from time to time;

"arm's length" has the meaning given to that term in the *Income Tax Act* (Canada), as now in effect;

"Black-Out Period" means any period during which a policy of ~~Trimel~~Acerus prevents an Insider of ~~Trimel~~Acerus from trading in the Shares;

"Board" means the board of directors of ~~Trimel~~Acerus at the applicable time;

"Broker" shall have the meaning attributed thereto in Section 3.4(b);

"Business Day" means any day, other than a Saturday or a Sunday, or a day observed as a statutory or civic holiday in Toronto, Ontario;

"Committee" shall have the meaning attributed thereto in Section 2.1(b);

"Continuing Employee Optionee" shall have the meaning attributed thereto in Section 6.1(b);

"control" means, in respect of any person, such person's power or authority to direct, or cause the direction of, directly or indirectly, the management, policies or actions of any other person, whether through the ownership of voting securities or by contract or otherwise. Without limiting the foregoing, a person (the "first person") will be conclusively deemed to control another where the first person beneficially owns, directly or through intermediaries, more than 50% of the voting securities of the other; ~~"Date of Employment" shall mean the date of the employment agreement between an Employee Optionee and Trimel or a Subsidiary, as applicable, or, if no such employment agreement exists, the date on which the Employee Optionee commenced his or her employment with Trimel or a Subsidiary, as applicable, as determined by the Board in its discretion;~~

"Date of Grant" means, for any Option, the date the Option was granted by the Board;

"Disability" means, in respect of any Optionee, the Optionee's inability, due to debilitating physical incapacity, to substantially perform his or her duties and responsibilities as an employee of ~~Trimel~~ Acerus or a Subsidiary, as applicable, for 90 consecutive days or a total of 180 days in any consecutive 12-month period;

"Effective Date" means June 26, 2015;

"Eligible Person" means, subject to all applicable laws, any employee, officer or director of the Corporation or any Subsidiary or any ~~"~~service provider~~"~~ (as such term is defined in the Toronto Stock Exchange Company Manual) to the Corporation or any Subsidiary;

"Employee Optionee" shall have the meaning attributed thereto in Section 4.2;

"Employee Termination Date" shall have the meaning attributed thereto in Section 4.2(~~ac~~);

"Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form annexed hereto as Schedule B, as may be amended from time to time, signed by an Optionee and stating the Optionee's intention to exercise all or a portion of a particular Option;

"Exercise Price" means the price per share at which a Share may be purchased under any Option, as the same may be adjusted from time to time in accordance with Section 3.5;

"Expiry Date" shall mean the date on which an Option expires, following which it shall immediately terminate and be cancelled without any further act or formality;

"Insider" has the meaning given to that term in the *Securities Act* (Ontario), as amended from time to time, and shall include associates and affiliates of the Insider;

"Liquidity Event" shall have the meaning attributed thereto in Article 6;

"Market Price" means the volume-weighted average price of the Shares on a Stock Exchange where the majority of the trading volume and value of the Shares occurs, for the

five trading days immediately preceding the relevant date on which Market Price is to be determined;

"**Non-Continuing Employee Optionee**" shall have the meaning attributed thereto in Section 6.1(b);

"**Option**" means an option to purchase one Share at a specified Exercise Price granted on the Date of Grant under the Plan;

"**Option Agreement**" means, with respect to any Option, the agreement entered into between ~~Trimel~~Acerus and the Optionee setting out the terms and conditions of such Option, as the same may be amended, supplemented or replaced from time to time;

"**Optionee**" means a person to whom an Option has been granted;

"**Plan**" means this Amended and Restated 2015 Stock Option Plan of ~~Trimel~~Acerus as the same may be amended, supplemented or replaced from time to time;

"**Retirement**" means, with respect of any Employee Optionee, that: (i) such Employee Optionee has reached retirement age and has retired as an employee of ~~Trimel~~Acerus or a Subsidiary, as applicable, in accordance with the established practices and policies of ~~Trimel~~Acerus or the Subsidiary, as applicable, regarding the retirement of its employees; (ii) if no such policies exist, such Employee Optionee has retired from active employment with ~~Trimel~~Acerus or a Subsidiary, as applicable, at or after age 65; or (iii) such Employee Optionee has accepted an offer to retire as an employee of ~~Trimel~~Acerus or a Subsidiary, as applicable;

"**Shares**" means the common shares of ~~Trimel~~Acerus or, in the event of an adjustment contemplated by Section 3.5, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

"**Stock Exchange**" means the Toronto Stock Exchange, or, if the Shares are not listed on the Toronto Stock Exchange, the TSX Venture Exchange, or if the Shares are not listed on either the Toronto Stock Exchange or the TSX Venture Exchange, such other principal market upon which the Shares are traded as designated by the Board or the Committee from time to time;

"**Subsidiary**" means a person, other than a natural person, that is controlled by ~~Trimel~~Acerus, and includes ~~Trimel BioPharma Holdings~~Acerus Labs Inc. and ~~Trimel BioPharma SRL~~; Acerus Biopharma Inc.; and

"**Third Party**" means, in relation to ~~Trimel~~Acerus, a person with whom it deals at arm's length; ~~and "Trimel" means Trimel Pharmaceuticals Corporation, a corporation organized under the laws of Ontario, and includes any successor company thereto.~~

1.3 Interpretation

(a) As used herein, the terms "Article" and "Section" mean and refer to the specified Article and Section of this Plan, respectively.

(b) Words importing the singular include the plural and *vice versa* and words importing any gender include any other gender.

(c) Unless otherwise specified, all references to money amounts are to Canadian currency.

(d) Any time period referred to in this Plan shall be calculated excluding the day on which the period commences and including the day on which the period ends.

(e) Whenever any payment is required to be made, event is to occur, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, event is to occur, action shall be taken or period of time shall expire on the next following Business Day.

1.4 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part of the Plan:

- Schedule A - Form of Option Agreement
- Schedule B - Form of Exercise Notice

ARTICLE 2 **ADMINISTRATION OF THE PLAN**

2.1 Administration

(a) This Plan will be administered by the Board.

(b) The Board shall have the power, where consistent with the general purpose and intent of the Plan to do as follows:

(i) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;

interpret and construe the Plan and to determine all questions arising out of the Plan and any Options granted pursuant to the Plan;

(iii) designate persons or entities engaged to provide ongoing services to the Corporation or any Subsidiary as Eligible Persons;

(iv) determine the Eligible Persons to whom Options are to be granted and to grant Options;

(v) approve the assignment of Options in accordance with Section 3.7;

- (vi) determine the number of Shares subject to each grant of Options and to reserve such Shares for issuance;
- (vii) determine for each Option the Exercise Price;
- (viii) determine the time or times when Options will be granted and the terms upon which Options will vest and be exercisable;
- (ix) determine if the Shares which are subject to Options will be subject to any restrictions upon the exercise of such Options;
- (x) prescribe the form of the instruments relating to the grant, exercise and other terms of Options; and
- (xi) make all other reasonable determinations and take all other reasonable actions, necessary or advisable for the implementation and administration of the Plan.

Any interpretation, construction or determination made by the Board in accordance with this Section shall be final, binding and conclusive for all purposes.

(c) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board or to the Chief Executive Officer of [TrimelAcerus](#), all or any of the powers conferred on the Board under this Plan. In such event, the Committee or the Chief Executive Officer of [TrimelAcerus](#), as applicable, will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee or the Chief Executive Officer of [TrimelAcerus](#) arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

(d) The day-to-day administration of this Plan may be delegated to such officers and employees of [TrimelAcerus](#) as the Board determines.

2.2 Total Shares Subject to Options

The maximum number of Shares available for issuance pursuant to the Plan subsequent to the date hereof shall not exceed a number which will be fixed at 10% of the issued and outstanding Shares of [TrimelAcerus](#) from time to time. In addition:

- (i) Options granted under this Plan shall not result, at any time, in the number of Shares: (A) available for issuance to any one person exceeding 5% of the outstanding issue of Shares; (B) issued to Insiders within a one-year period, when combined with all other security-based compensation arrangements of [TrimelAcerus](#), exceeding 10% of the outstanding issue of Shares; (C) available for issuance to Insiders, when combined with all other security-based compensation arrangements of [TrimelAcerus](#), exceeding 10% of the outstanding issue of Shares; or (D) issued to any one Insider

within a one-year period exceeding 5% of the outstanding issue of Shares;
and

- (ii) the aggregate number of Shares reserved for issue to any one "service provider" of ~~Trimel~~Acerus (as such term is defined in the Toronto Stock Exchange Company Manual) upon the exercise of Options shall not exceed 2% of the total number of Shares then outstanding, excluding Shares issued to such service provider upon the exercise of Options over the preceding 12 month period.

(b) For purposes of this Section 2.2, the number of ~~Common~~ Shares then outstanding shall mean the number of ~~Common~~ Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.

(c) Shares that were the subject of Options that have been exercised, surrendered, lapsed, cancelled or terminated shall thereupon no longer be in reserve and may once again be subject to an Option granted under this Plan.

2.3 Option Agreements

(a) Execution and Delivery of Option Agreement - Each grant of Options under Section 3.1 of this Plan shall be evidenced by an Option Agreement and it shall be a condition of the grant of any Option that the applicable Optionee executes and delivers to ~~Trimel~~Acerus an Option Agreement. Such Option Agreements will be substantially in the form of the Option Agreement set out in Schedule A hereto and will contain such provisions or changes, including changes to the terms of this Plan, that the Board may direct. Any one officer or director of ~~Trimel~~Acerus is authorized and empowered to execute and deliver, for and on behalf of ~~Trimel~~Acerus, an Option Agreement to each Optionee.

Optionee's Agreement to be Bound - Execution of an Option Agreement by an Optionee shall be construed as acceptance by the Optionee of the terms and conditions of the Plan and all policies, rules, regulations and procedures adopted hereunder, as such may be amended from time to time.

ARTICLE 3 GRANT OF OPTIONS

3.1 Grant of Options

(a) Options Granted at the Discretion of the Board - Options may be granted to Eligible Persons from time to time at the discretion of the Board provided that at no time will the number of Options granted after the date hereof exceed the number of Shares available for issuance under Section 2.2.

(b) Terms and Conditions of Options - Subject to this Article 3 (including, for greater certainty, Section 3.2), the Board shall determine the following in its sole discretion with respect to each Option;

- (i) the number of Shares issuable on the exercise of such Option;

- (ii) the Exercise Price,
- (iii) the Expiry Date;
- (iv) the vesting schedule, if any, and
- (v) such other terms and conditions as the Board may consider appropriate in its sole discretion.

3.2 Exercise Price

The Exercise Price at which any Option may be exercised to acquire a Share shall be determined by the Board or the Committee, as applicable, on the Date of Grant, provided that such price shall be not less than the Market Price of the Shares on the Date of Grant of the Option.

3.3 Expiry Date

(a) The Expiry Date for an Option granted under this Plan shall not in any circumstance be later than the lesser of the ~~10~~⁵th anniversary of the Date of Grant of such Option and such maximum period of time as may be allowed by the Stock Exchange.

(b) Notwithstanding anything contained in the Plan or an Option Agreement, if the date on which an Option expires occurs during, or within 10 days of the last day of, a Black-Out Period or other trading restriction imposed by ~~Trimel~~Acerus, the date of termination or expiry for the Option will be the last day of the 10-day period.

3.4 Exercise of Option

Delivery of Exercise Notice by Optionee -- An Optionee may exercise any Option which has vested by delivering to ~~Trimel~~Acerus an Exercise Notice accompanied by payment of the Exercise Price in respect of the Shares to be purchased. The Exercise Price must be fully paid by certified cheque, bank draft or wire transfer of immediately available funds payable to ~~Trimel~~Acerus. No Shares will be issued or transferred until full payment therefor has been received by ~~Trimel~~Acerus.

(b) Share Appreciation - An Optionee may, rather than exercise any Option which such Optionee is entitled to exercise under the Plan, elect a cashless exercise of such Option by giving irrevocable notice in writing of termination of such Option, in whole or in part, and requesting ~~Trimel~~Acerus issue to the Optionee that number of Shares, disregarding fractions, which, when multiplied by the Market ~~Value~~Price have a value equal to number of Shares terminated multiplied by the difference between the Market ~~Value~~Price and the exercise price per Share to which the Option so terminated relates, less any amount withheld on account of applicable taxes.

(c) Delivery of Share Certificates by ~~Trimel~~Acerus - As soon as practicable after receipt of any Exercise Notice and full payment, ~~Trimel~~Acerus will deliver to the Optionee a certificate or certificates representing the acquired Shares, provided that ~~Trimel~~Acerus shall not be required to issue or deliver any certificate or certificates for Shares prior to the obtaining of approval or other clearance from any governmental agency which the Board in its sole discretion determines to be necessary or advisable.

3.5 Other Adjustments

Appropriate adjustments, in the number of Shares optioned and the Exercise Price of any outstanding Option shall automatically take effect upon any adjustments in the number of Shares resulting from any subdivision, consolidation or reclassification of the Shares, the payment of any stock dividend by [Trime!Acerus](#) (other than dividends in the ordinary course) or other relevant changes in the capital stock of [Trime!Acerus](#) and the Board shall determine the resulting Shares subject to any grant of Options and the Exercise Price thereof and such determination, subject to manifest error, such determination shall be binding on all parties.

3.6 Withholding and Tax Consequences Generally

(a) Tax Payment or Withholding - The exercise of each Option granted under this Plan is subject to the condition that if, at any time, [Trime!Acerus](#) determines, in its discretion, that the satisfaction of taxes, including withholding tax, or other withholding liabilities is necessary or desirable in respect of the exercise of any Optionee's Option, the exercise of the Option is not effective unless such taxes have been paid or withholdings made or arranged to the satisfaction of the Board. [Trime!Acerus](#) may require an Optionee to pay to [Trime!Acerus](#), in addition to the Exercise Price, any amount that [Trime!Acerus](#) is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date on which any amount with respect to the Option exercised is required to be remitted by [Trime!Acerus](#).

Tax Returns - It is the responsibility of the Optionee to complete and file any tax returns which may be required of the Optionee under any applicable tax laws within the period prescribed by such laws.

3.7 Transfer of Options

(a) Options Not Transferable - An Option is personal to the Optionee and, except as otherwise set out in the Option Agreement relating to the grant of an Option or as determined by the Board or the Committee in its sole discretion, is non-assignable. Except as set out in the Option Agreement relating to the grant of an Option and this Section 3.7, during the lifetime of an Optionee that is an individual, an Option shall be exercisable only by the Optionee and, upon the death of an Optionee, by the legal personal representative(s) of the estate of the Optionee in accordance with Section 4.2(b)(i). No Options shall entitle the holder to any rights or privileges as a shareholder of [Trime!Acerus](#) until all conditions of exercise have been complied with in accordance with this Plan. In the case of an Optionee that is not an individual, any change of control of such ~~Optionee~~[Optionee](#) or a change in control of such Optionee's parent entity (direct or indirect) shall constitute a transfer for the purposes of this Plan.

(b) RRSPs and Holding Companies — Subject to the approval of the Board or the Committee, an Optionee that is an individual may elect, at any time, to participate in the Plan by holding or transferring any Options granted under the Plan in or to a registered retirement savings plan established by such Optionee for the sole benefit of such Optionee or in a personal holding company controlled by such Optionee. For the purposes of this Section 3.7(b), a personal holding corporation shall be deemed to be controlled by an Optionee if: (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Optionee and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation;

and (ii) all of the equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Optionee and/or his or her spouse, children or grandchildren. In the event that an Optionee elects to hold the Options granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Optionee held such Options directly.

~~(c) — Pledge of Options — An Optionee may pledge or otherwise grant a security interest in all or part of the Options held thereby from time to time in favour of a bank listed in a Schedule to the *Bank Act* (Canada) or other similar financial institution to secure *bona fide* indebtedness of the applicable Optionee.~~

(c) ~~(d)~~ Law Requiring Transfer - If an Option becomes transferable by operation of law contrary to the provisions of this Plan, then such Option shall expire and become unexercisable immediately prior to such transfer.

ARTICLE 4

TERMINATION OF EMPLOYMENT

4.1 Employment Requirement

Subject to Section 4.2 and to any resolution passed by the Board providing otherwise, all Options held by an officer or employee of the Corporation or any Subsidiary (an **"Employee Optionee"**) shall expire and terminate, and any such Employee Optionee shall cease to be an Eligible Person, immediately upon the Employee Termination Date (as defined below) for such Employee Optionee or the date of such Employee Optionee's death, Disability or Retirement .

4.2 Termination of Employment

(a) Application of this Section 4.2 - If the employment of an Employee Optionee terminates before the expiry of an Option held by that Employee Optionee in accordance with the terms thereof, then the provisions of Section 4.2(b) shall apply to:

- (i) Options that are exercisable ~~upon the effective date of termination of such Employee Optionee's employment (the "on the Employee Termination Date")~~ regardless of the reason for such termination; and
- (ii) Options that become exercisable in the one year period following the ~~Employment~~Employee Termination Date, if the termination arose as a result of the Employee Optionee's death, Disability or Retirement.

(b) Exercise of Options Following Termination — Options referred to in Section 4.2(a) may be exercised as follows:

- (i) if the Employee Optionee is deceased, by the legal personal representative(s) of the estate of the Employee Optionee at any time during the one year period following the death of the Employee Optionee;
- (ii) if the termination of the employment of the Employee Optionee arises as a result of the Disability or Retirement of the Employee Optionee, by the

Employee Optionee at any time during the one year period following the ~~Employment~~Employee Termination Date;

- (iii) if the termination of the employment of the Employee Optionee arises as a result of a termination for cause or resignation of the Employee Optionee without good reason, by the Employee Optionee at any time during the 10-day period following the Employee Termination Date; or
- (iv) in all other cases, by the Employee Optionee at any time during the 90-day period following the Employee Termination Date.

When Employment Terminates - For purposes of this Plan, ~~an Employee Optionee shall be deemed to have ceased to be employed by Trimel or any Subsidiary on the earlier of the effective date the Employee Optionee is formally terminated or ceases to perform services for Trimel or such Subsidiary, as the case may be, without regard to: (i) whether such Employee Optionee continues thereafter to receive any payment from Trimel or such Subsidiary, as the case may be, in respect of the termination of such Employee Optionee's employment, including without limitation any continuation of salary or other compensation in lieu of notice of such termination; or (ii) whether such Employee Optionee is entitled or claims to be entitled at~~ the "Employee Termination Date" means the Employee Optionee's last day of actual and active employment with Acerus or any Subsidiary, whether such day is selected by agreement with the individual, unilaterally by Acerus or Subsidiary, as applicable, and whether with or without advance notice to the Employee Optionee; provided that, where the Employee Optionee's employment is terminated due to Disability, the "Employee Termination Date" shall be the date that the Employee Optionee is given notice of termination. For the avoidance of doubt and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of a termination of the Employee Optionee's employment that follows or is in respect of a period after the Employee Optionee's last day of actual and active employment shall be considered as extending the Employee Optionee's period of employment for the purposes of determining his entitlement under this Plan.

~~law to greater notice of such termination or compensation in lieu thereof than has been received by such Employee Optionee.~~

(c) No Entitlement to Damages - The Employee Optionee shall have no entitlement to damages or other compensation arising from or related to not receiving a grant of Options or Shares which would have been made to the Employee Optionee or which would have vested after the Employee Optionee's Employee Termination Date. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

(d) ~~(d)~~ Meaning of "For Cause" and "Without Good Reason" - For purposes of Section 4.2, a termination shall be deemed to have been "for cause", or a resignation deemed to have been "without good reason", in any circumstances where such termination or resignation, as applicable, arises in connection with: (i) the Employee Optionee's conviction in a court of law or entering a plea of guilty to any offence under the *Criminal Code* (Canada) or any similar legislation of any jurisdiction punishable by imprisonment, unless such conviction or plea is in respect of behaviour

that could not reasonably be considered as related to the Employee Optionee's employment or damaging to the reputation of ~~Trimel~~Acerus or its Subsidiaries; (ii) any moral turpitude whatsoever or any act or omission by the Employee Optionee that constitutes fraud, dishonesty, breach of trust or theft involving the funds, property, business or affairs of ~~Trimel~~Acerus or any of its Subsidiaries; or (iii) any other circumstances constituting "cause" or "good reason" under applicable laws.

4.3 Unexercisable Options

Except in connection with the death, Disability or Retirement of an Employee Optionee as provided for in Section 4.2(a), any Options held by the Optionee that were not exercisable at the Employee Termination Date shall immediately expire and be cancelled on such date.

4.4 Leaves of Absence

For purposes of the Plan, an Optionee who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of ~~Trimel~~Acerus or a Subsidiary, as applicable, during such leave of absence.

4.5 Change of Status

Notwithstanding Section 4.1, unless the Board, in its discretion, otherwise determines, at any time and from time to time, Options held by an Employee Optionee are not affected by a change of employment within or among ~~Trimel~~Acerus and one or more of its Subsidiaries for so long as the Optionee continues to be an Employee Optionee.

4.6 Discretion to Permit Exercise

Notwithstanding the provisions of Section 4.1, the Board may, in its sole discretion, at any time prior to or following the events contemplated in this Article 4, permit the exercise of any or all Options held by the Optionee in the manner and on the terms authorized by the Board.

ARTICLE 5 AMENDMENT OR DISCONTINUANCE OF PLAN

5.1 Amendment, Suspension and Termination

(a) Right of the Board to Amend, etc. - In addition to any other rights provided in this Plan, but subject to Section 5.1(b) and 5.1(c) the Board may:

- (i) amend, suspend or terminate this Plan or any portion thereof at any time and without notice to or approval from any Optionee; or
- (ii) amend or modify any outstanding Option in any manner to the extent that the Board would have had the initial authority to grant the Option as so modified or amended,

whereupon the Plan shall be amended or discontinued, as appropriate, in the manner and to the extent required by applicable laws and other rules and regulations.

(b) Restrictions on Amendments etc. -- The Board shall not take any action pursuant to Section 5.1(a) that would adversely affect or alter the rights of an Optionee in a material manner in connection with any Option, unless:

- (i) such action is permitted by the Plan or the Option Agreement relating to such Option; or
- (ii) the prior consent of the affected Optionee is obtained,

and provided that such action is taken in accordance with applicable legislation, and subject to any required regulatory ~~or~~ approval, including approval from the Stock Exchange, and shareholder approval.

(c) Amendments Not Requiring Shareholder Approval. ~~Notwithstanding anything to the contrary in Sections 5.1(a) or 5.1(b), the Board may not make any amendments, modifications and~~ - Subject to Section 5.2, the Board may from time to time, in its discretion and without the approval of shareholders, make changes to the Plan or ~~to any Option granted under the Plan with respect to the following matters without the approval of the shareholders of Trimel, in accordance with the applicable rules and regulations of the Stock Exchange~~ any award that do not require the approval of shareholders under Section 5.1(d), which may include but are not limited to:

- (i) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan or any agreement, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
- (ii) a change to the vesting provisions of the Plan and any award granted under the Plan;
- (iii) a change to the provisions governing the effect of termination of an Optionee's employment, contract or office;
- (iv) a change to accelerate the date on which any Option may be exercised under the Plan; or
- (v) an amendment of the Plan or an award as necessary to comply with applicable law or the requirements of any exchange upon which the securities of Acerus are then listed or any other regulatory body having authority over Acerus, the Plan, the Optionees or the shareholders of Acerus.

(d) Amendments Requiring Shareholder Approval - Notwithstanding the foregoing or any other provision of this Plan, shareholder approval is required for the following amendments to the Plan:

- (i) any increase in the maximum number of Shares reserved for issuance that may be issuable from treasury pursuant to awards granted under the Plan;
- (ii) ~~any~~ reduction in the ~~exercise price for Options held by Insiders of Trimel;~~ Exercise Price of an Option benefitting an Insider of Acerus;
- (iii) ~~any~~ extension ~~to the term of any Option held by Insiders of Trimel~~ of the Expiry Date of an Option or award benefitting an Insider of Acerus, except in case of an extension due to a Black-Out Period;
- (iv) ~~any~~ increase in ~~any limit on grants~~ the maximum number of Options that may be issuable to Insiders ~~set out in the Plan; and~~ and associates of such Insiders at any time; and
- (v) any amendment to ~~this Section 5.1 that is not: (i) determined to be necessary or desirable to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or Stock Exchange; or (ii) of a "housekeeping" nature, which includes amendments to eliminate any ambiguity or correct or supplement any provision contained herein which may be incorrect or incompatible with any other provision hereof.~~ Section 5.1(c) or Section 5.1(d) of the Plan.

5.2 Effect of Termination of Plan

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of this Plan, will continue in effect as long as any Options or any rights pursuant thereto remain outstanding. Any rights to purchase Shares predating this Plan pursuant to the option plans of ~~Trimel~~Acerus or its Subsidiary shall hereafter be governed and subject to this Plan except for purpose of the calculations necessary under Sections 2.2 and 3.1(a).

ARTICLE 6 **LIQUIDITY EVENTS**

6.1 Consequences of Liquidity Event

(a) Application of Section 6.1 - If ~~Trimel~~Acerus proposes to amalgamate, merge or consolidate with any other Third Party, or in connection with any proposed sale or conveyance of all or substantially all of the property or assets of ~~Trimel~~Acerus to a Third Party or any proposed offer to acquire all of the outstanding Shares of ~~Trimel~~Acerus by a Third Party (in each case, a "**Liquidity Event**"), the terms and conditions of this Section 6.1 shall apply.

(b) Determination of Continuing Employees - In connection with any Liquidity Event, where applicable, the Board ~~(in consultation with any counterparty to a transaction which constitutes such Liquidity Event),~~ shall use commercially reasonable efforts to determine which Employee Optionees will, as applicable, have their employment with ~~Trimel~~Acerus, its

Subsidiaries or their successors terminated or to whom an offer of employment with the acquirer will not be extended. Such Employee Optionees are referred to under this Plan as "**Non-Continuing Employee Optionees**". All other Employee Optionees are referred to under this Plan as "**Continuing Employee Optionees**".

(c) Effect of Liquidity Event - In connection with a Liquidity Event, at the discretion of the Board, the Board may declare Options held by Non-Continuing Employee Optionees and/or the Options held by Continuing Employee Optionees to either (or any combination) of the below:

- (i) All or a portion of such Options shall be exchanged immediately prior to the completion of the Liquidity Event for options (of substantially similar terms and value) to purchase shares in the capital of the acquirer or any corporation which results from an amalgamation, merger or similar transaction involving Trime!Acerus in connection with the Liquidity Event, whereupon all rights associated with the affected Options to purchase the Shares underlying such Options or to exercise such Options shall terminate and all such outstanding Options shall immediately expire and cease to have any further force or effect; or
- (ii) For all or a portion of such Options there shall be paid or delivered by Trime!Acerus, or Trime!Acerus shall cause to be paid or delivered, an amount of cash or non-cash consideration per Share, as applicable, in respect of each of the Shares underlying all such vested Options immediately prior to the completion of the Liquidity Event equal in value (as determined by the Board in its discretion, acting reasonably) to the positive difference between the price per Share equal to the greater of the Market Price and the price paid by any third party purchaser (in the case of an acquisition of all of the Shares of Trime!Acerus) and the applicable Exercise Price, whereupon all rights of the affected Options and the rights of the holder thereof to exercise such Options shall terminate and all such outstanding Options shall immediately expire and cease to have any further force or effect.

6.2 Alternative Consequences

(a) If the actions set out in Sections 6.1 (or some combination thereof) cannot, as determined by the Board in its sole discretion, be completed by reason of conflict with applicable laws or the regulations of a Stock Exchange or other valid business reasons with respect to any of the Options held by a Continuing Employee Optionee or Non-Continuing Employee Optionee, as applicable, the vesting of all Options held by such Continuing Employee Optionee or Non-Continuing Employee Optionee, as applicable, may be accelerated by resolution of the Board and shall thereafter not be affected by any action completed in accordance with Section 6.1 (other than being cancelled after the Liquidity Event), as applicable, to permit the exercise of such Options at any time prior to the completion of the Liquidity Event, and upon completion of the Liquidity Event all rights of the affected Continuing Employee Optionee or Non-Continuing Employee Optionee to purchase the Shares underlying such Options or to exercise such Options shall terminate and all such outstanding Options shall immediately expire and cease to have any further force or effect.

(b) The Board may exercise any of its powers under Sections 6.1 and 6.2(a) prior to the date of completion of a Liquidity Event, conditional on the Liquidity Event being completed.

ARTICLE 7

MISCELLANEOUS PROVISIONS

7.1 No Right to Employment or Service

(a) Neither participation in the Plan nor any action taken under the Plan shall give or be deemed to give any Optionee a right to continued employment with, or service to, [TrimelAcerus](#) or any Subsidiary, nor shall such participation interfere with the right of [TrimelAcerus](#) or any Subsidiary to terminate any Optionee's employment or provision of service at any time or for any reason.

(b) Nothing in this Plan or the Optionee's opportunity to participate in this Plan shall be construed to provide the Optionee with any rights whatsoever to participate or continue to participate in this Plan, or to compensation or damages in lieu of continued participation or the right to participate in this Plan upon the termination of the Optionee as officer or employee of [TrimelAcerus](#) or any Subsidiary for any reason whatsoever.

7.2 Fractional Shares

No fractional Shares will be issued on the exercise of any Options granted under this Plan. If, as a result of any adjustment to the number of Shares issuable on the exercise of any Options granted pursuant to the Plan, an Optionee would be entitled to receive a fractional Share, such Optionee shall have the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares so disregarded.

7.3 Rights as Shareholder

Optionees shall not be, and shall not have any of the rights or privileges of, shareholders of [TrimelAcerus](#) in respect of any Shares purchasable in connection with any grant unless and until full payment has been made to [TrimelAcerus](#), all conditions of exercise of an Option have been complied with by the Optionee and certificates representing any such Shares have been issued by [TrimelAcerus](#) to such Optionees (or book entries representing such shares have been made and such Shares have been deposited with the appropriate registered book-entry custodian) in accordance with the Plan and applicable Option Agreement. For greater certainty, an Optionee shall not have the right or be entitled to exercise any voting rights, receive dividends or have or be entitled to any other rights as a shareholder of [TrimelAcerus](#) in respect of any Options.

7.4 Severability

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan to the extent of such invalidity or unenforceability.

7.5 Option Grants Conditional

(a) If at any time ~~Trimel~~Acerus shall determine in its sole discretion that the issuance of Shares upon the exercise of Options may conflict or be inconsistent with any applicable law or regulation of any governmental agency having jurisdiction over ~~Trimel~~Acerus or its securities, ~~Trimel~~Acerus reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding. In such case such Options shall be treated for all purposes under the Plan as if they were subject to a Black-Out Period.

(b) The exercise of the Options granted under the Plan shall be subject to:

- (i) the receipt from the applicable Optionee of such representations, agreements and undertakings including as to future dealings in Shares issued upon the exercise of Options, as ~~Trimel~~Acerus or its counsel determines to be necessary or advisable in order to prevent any violation of securities or other laws of any jurisdiction or as may be required by the underwriters of any public offering of securities of ~~Trimel~~Acerus; and
- (ii) the condition that if at any time ~~Trimel~~Acerus shall determine in its sole discretion that it is necessary or desirable to comply with any legal requirements or the requirements of any regulatory authority or to obtain any approval or consent from any such regulatory authority as a condition of, or in connection with, the Plan, any grant of Options under the Plan, the exercise of the Options granted under the Plan or the issue of Shares as a result thereof, then in any such event any Options granted prior to such approval and acceptance shall be conditional upon such compliance having been effected or such approval or consent having been given and no such Options may be exercised unless and until such compliance is effected or until such approval or consent is given on conditions satisfactory to ~~Trimel~~Acerus in its sole discretion.

7.6 Compliance with Legislation

(a) This Plan, the terms of the issue or grant of, and the grant and exercise of, any Option or other award under this Plan, and Acerus' obligation to sell and deliver Shares upon the exercise of Options, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to Acerus, be required. Acerus is not obliged by any provision of this Plan or the grant of any Option under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by Acerus or an Optionee of any laws, rules and regulations or any condition of such approvals.

(b) The Optionee agrees to fully cooperate with Acerus in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by Acerus with such laws, rule and requirements, including all tax withholding and remittance obligations.

(c) No Option will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or purported issue of Shares under this plan in violation of this provision is void.

(d) Acerus has no obligation to issue any Shares pursuant to this Plan unless such Shares have been duly listed, upon official notice of issuance, with the Stock Exchange. Shares issued and sold to Optionees pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

(e) If Shares cannot be issued to an Optionee upon the exercise of an Option due to legal or regulatory restrictions, the obligation of Acerus to issue such Shares will terminate and any funds paid to Acerus in connection with the exercise of such Option will be returned to the applicable Optionee as soon as practicable.

7.7 Future Value

Acerus makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Optionee resulting from the grant or exercise of an Option and/or transactions in the Shares. Neither Acerus, nor any of its directors, officers, employees, shareholders or agents will be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares under this Plan, with respect to any fluctuations in the Market Price of Shares or in any other manner related to this Plan.

7.8 ~~7.6~~ Governing Law

The Plan and all Option Agreements entered into pursuant to the Plan shall be governed by the laws of Ontario.

7.9 ~~7.7~~ Notices

Each notice relating to any Options granted pursuant to this Plan, including any notices in connection with the exercise thereof, must be in writing. All notices to ~~Trime~~Acerus must be delivered personally or by prepaid registered mail or recognized courier service. All notices to an Optionee will be addressed to the principal address of the Optionee on file with ~~Trime~~Acerus. Either ~~Trime~~Acerus or an Optionee may designate a different address by written notice to the other. Any notices delivered to ~~Trime~~Acerus or an Optionee shall be deemed to be received, if delivered personally, on the date of delivery, and if sent by prepaid registered mail or recognized courier service, on the third Business Day following the date of mailing. Any notice given by an Optionee or ~~Trime~~Acerus is not binding on the recipient thereof until received or deemed to be received in accordance with this Section ~~7.7.7.9~~.

7.10 ~~7.8~~ Effective Date

The Plan shall be effective as of the Effective Date.

Effective as of ~~June 26, 2015,~~[●], 2018, as duly approved by resolution of the shareholders of ~~Trimel~~Acerus on such date.

SCHEDULE A

OPTION AGREEMENT

~~Trimel~~Acerus Pharmaceuticals Corporation ("~~Trimel~~Acerus") hereby grants to the Optionee named below (the "**Optionee**") _____ options (the "**Options**") to purchase, in accordance with and subject to the terms and conditions of this Agreement, together with the provisions of the ~~Trimel~~Acerus Pharmaceuticals Corporation Amended and Restated 2015 Stock Option Plan (the "**Plan**") dated ~~June 26, 2015~~May 12, 2018 as amended from time to time, the number of common shares in the capital of ~~Trimel~~Acerus ("**Shares**") at the exercise price per share set forth below:

Name of Optionee: _____

Address of Optionee: _____

Date of Grant: _____

Total Number of Shares Subject to Options: _____

Expiry Date: _____

<u>Vesting Date</u>	<u>Number of Options Becoming Exercisable</u>	<u>Exercise Price</u>

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Option Agreement and are acknowledged and agreed to by the Optionee and ~~Trimel~~Acerus. All capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

~~TRIMEL~~ACERUS
PHARMACEUTICALS CORPORATION

By: _____

Name:

Title:

I have read the foregoing Option Agreement and the Plan and hereby accept the Options to purchase Shares in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of the Plan.

_____ Date Accepted

_____ Name:

SCHEDULE B

EXERCISE NOTICE

Option 1 – Payment of Exercise Price

I, _____ (Print Name), hereby exercise the ~~options~~Options to purchase _____ ~~common shares~~ (“____ Shares”) of ~~Trime!Acerus~~Pharmaceuticals Corporation (“~~Trime!Acerus~~”) at an exercise price of \$_____ per Share (the “Exercise Price”). This Exercise Notice is delivered in respect of the ~~options~~Options to purchase _____ Shares of ~~Trime!Acerus~~ granted to me on _____ (Insert Date) pursuant to the Option Agreement entered into between ~~Trime!Acerus~~ and me on _____ (Insert Date).

In connection with the foregoing: (a) I enclose a certified cheque or bank draft payable to ~~Trime!Acerus~~; or (b) I have initiated a wire transfer of immediately available funds to ~~Trime!Acerus, in either case~~, in the amount of \$_____ as full payment for the Shares to be received upon exercise of the Options. I hereby direct Acerus to issue the Shares in my name.

In connection with the exercise of the Options, I hereby covenant and agree to pay to Acerus, in addition to the Exercise Price, any amount that Acerus is obliged to remit to a relevant taxing authority in connection with the exercise of the Options and I understand that the exercise of the Options is conditional upon me making any such payment to Acerus. Any additional payment shall be due and payable to Acerus no later than the date on which any amount with respect to the Option exercised is required to be remitted by Acerus.

Date: _____

Optionee's

Signature: _____

Option 2 – Cashless Exercise

I, _____ (Print Name), hereby give Acerus Pharmaceuticals Corporation (“Acerus”) irrevocable notice of and direct Acerus to terminate _____ Options and, in consideration therefore, I request Acerus to issue to me that number of Shares, disregarding fractions, which, when multiplied by the Market Price have a value equal to the number of Options terminated

multiplied by the difference between the Market Price and the Exercise Price to which the Options so terminated relate. This Exercise Notice is delivered in respect of the Options to purchase _____ Shares of Acerus granted to me on _____ (Insert Date) pursuant to the Option Agreement entered into between Acerus and me on _____ (Insert Date). I hereby direct Acerus to issue the Shares in my name.

In connection with the exercise of the Options, I hereby covenant and agree to pay to Acerus any amount that Acerus is obliged to remit to a relevant taxing authority in connection with the exercise of the Options and I understand that the exercise of the Options is conditional upon me making any such payment to Acerus. **[Alternatively, Acerus is hereby authorized to deduct from the value noted above, and issue a corresponding amount of less Shares, any amounts required to be withheld by Acerus on account of applicable taxes.]** Any additional payment shall be due no later than the date on which any amount with respect to the Option exercised is required to be remitted by Acerus.

Date: _____ Optionee's Signature: _____

